Local
647 Division

YOUR
PENSION PLAN

provided through the
Ontario Teamsters
Multi Local Pension Trust Fund

up to date at January 1, 2019

www.ontarioteamsters.ca

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General Information

The booklet will provide you with information about the Ontario Teamsters Multi Local Pension Plan (the "Plan"), in a summary format. Final decisions about Plan benefits are governed by the Plan's official documents. The Trustees have the right to interpret all Plan documents.

Collective agreements between participating employers and Milk Drivers and Dairy Employees Local Union 647 (the "Union") provide that you and the employers make contributions to the Ontario Teamsters Multi Local Pension Trust Fund (the "Fund") on your behalf. These contributions are forwarded, monthly, by the employer to the administrator of the Ontario. Teamsters Multi Local Pension Plan (the "Plan").

A Board of Trustees (the "Trustees") govern the Fund and Plan. The Trustees are required by the Declaration of Trust Agreement to ensure that this Plan is compliant with applicable legislation and will automatically be amended should future legislation requires changes to the Plan in order to ensure ongoing status as a registered pension plan.

The Plan is a multi-employer pension plan established by collective agreements and a Declaration of Trust agreement. No employer is responsible for funding any funding shortfall in the Plan. As a result, the benefits paid by the Plan have always been conditional on its funding. The Plan has been designation as a Specified Ontario Multi Employer Pension Plan (SOMEPP) which means that the Plan has been given an exemption from funding any solvency deficiency in the Plan.

Definitions

When you read this booklet, you will notice that certain words or phrases are capitalized, and they have a special and specific meaning. Usually, the meaning is in accordance with the applicable legislation and, in other cases, the meaning given is the same as that given in the text of the Plan. Please familiarize yourself with the following definitions which may not be capitalized in the booklet to allow for easier reading:

Actuarial Equivalent:

of a given benefit means the amount of alternative benefit of the required form as deemed by an actuary to be equal in value to the given benefit. The gender of a member or any other beneficiary shall not be taken into account when determining such value.

Commuted Value:

that amount of money, calculated at any particular time and in accordance with the minimum standards of the Canadian Institute of Actuaries (CIA.), which represents the lump sum value, at the date the calculation is made, of any member's monthly pension that is due and payable at the member's age 65. There are three major factors in performing this calculation: the amount of monthly pension; the member's age when the calculation is done; and the discount rate set by the CIA. The younger the member, the smaller the lump sum value will be, and vice versa. The higher the discount rate, the lower the lump sum value will be, and vice versa.

Continuous Service:

means the unbroken full-time service of an employee with the same employer. Continuous service shall not be considered broken when any such employee is on layoff, annual vacation granted by the employer or employer-authorized or approved leave of absence, provided such employee returns to active employment with the same employer at the expiration of such period or when credited service is granted to the employee while on disability.

Credited Service:
means the total of (i) and (ii):

(i) one year for each 52 weeks worked for which contributions were made to the Plan on and after June 15, 1959 by and on behalf of a plan participant, proportionally adjusted for less than 52 weeks worked in a Plan year; and

(ii) the number of complete years and months worked prior to June 15, 1959 excluding the first 6 months of such service and all service prior to attainment of age 20, provided that the service was continuous and that the participant at all times was a member of Local Union 647.

Locked-in:
is a legislative requirement whereby pension benefits that are vested cannot be used for any purpose other than to provide a retirement pension.

Plan Member:
means a person who is a member of Local Union 647 and who has joined the Ontario Teamsters Multi Local Pension Plan.

Spouse:
means for Plan members working in Ontario, the person who is:

(a) Legally married to and residing with the Plan member or former Plan member, or

(b) Not married to and who is living with the Plan member or former Plan member in a conjugal relationship,

(i) Continuously for a period of not less than three years, or

(ii) In a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Children's Law Reform Act.

Vested:
means an irrevocable right to receive a benefit from the Plan, which would be a monthly pension, or a lump sum benefit in the event of a small monthly pension, a pre-retirement death benefit, or a commuted value benefit.

Year's Maximum Pensionable Earnings or "YMPE":
means in respect of a year, the maximum pensionable earnings as defined in the Canada Pension Plan.

Eligibility

If you are a member of Local Union 647, you automatically become a member of the Plan when you work for an employer under the terms of a collective agreement requiring contributions to the Pension Trust Fund, and a contribution is made on your behalf by your employer and received by the administrator.

In order that the administrator will be able to identify you, and the actuary will be able to calculate the liabilities of the plan, it is essential that you complete a Member Information Card. These cards are available at the office of Local Union 647, or at the administrator's office.

Contributions

There are two types of Contributions, as follows:

Required Employee Contributions

If you contribute to the Plan, the amount will be specified in the collective agreement. This is usually expressed as a weekly amount or as a percentage of wages.

Required Employer Contributions

Your employer is required to contribute to the Plan, and the amount will be specified in the collective agreement. This is usually expressed as a weekly amount or as a percentage of wages.

Vesting

Vesting is an irrevocable right to receive a benefit from the Plan. Effective July 1, 2012, the Ontario Pension Benefits Act (PBA), was amended to provide immediate vesting of pension benefits. This means there is no longer a two- year Plan membership requirement to earn the right to your pension benefit in the Plan with respect to benefits accrued on and after January 1, 1987. With respect to benefits accrued prior to January 1, 1987, you become vested and locked-in when you have attained age 45 and completed 10 years of Continuous Service or completed 10 years of membership in the Plan.

Retirement Dates

The normal retirement age of this Plan is 65. You can retire earlier, or later, than age 65. The amount of monthly pension that you earn to each December 31st and shown in your annual pension statement, is the amount payable at age 65.

If you are vested, you may retire at any time on or after your 55th birthday, as follows:

Early Retirement: Terminated Vested Members

If you are at least age 55, and vested as set out above, you may retire immediately. However, since you will receive a pension for a longer period of time than if you waited to age 65, the amount of monthly pension you will receive will be the amount that you earned payable at age 65, and then reduced by 1/2 of 1% for each month of retirement in advance of age 65. For example, if you have earned a monthly pension of $600 payable at age 65, and you retire on your 58th birthday, the monthly pension will be reduced by 42%, and you will receive $348 monthly. You can lessen this early retirement reduction by postponing the start of your pension until you are older, or completely avoid it by postponing the start of your pension until you are age 65.

Enhanced Early Retirement: Active Members

If you are actively employed in a bargaining unit participating in the Plan, and you work until you are at least age 55, then you may retire immediately and receive the monthly pension that you earned payable at age 65, and then reduced by 1/2 of 1% for each month of retirement, if any, in advance of age 60. For example, if you earned a monthly pension of $600 payable at age 65, and you retire on your 58th birthday, the monthly pension will only be reduced by 12% and you will receive $528 monthly.

If you continue to work in a participating bargaining unit at least to your 60th birthday, and then retire, you will receive 100% of the monthly pension you earned to the final day worked.

Special Note

If you take your pension before age 65, and subsequently return to work prior to age 65 with a contributing employer, your monthly pension will be suspended upon such re-employment, and start again when you again retire. In this case, your subsequent pension will be the sum of what you were previously receiving plus the pension earned during your re-employment.

Postponed Retirement

This Plan has no compulsory retirement age. However, the Income Tax Act, Canada, requires that you start your monthly pension no later than the end of the calendar year in which you attain age 71. Furthermore, the Income Tax Act stipulates that you cannot contribute to, or increase, a pension benefit after age 71, however your employer is required to make any required contributions under a collective agreement while you work regardless of your age. You may continue working even if you are receiving a monthly pension from the Plan.

Disability Retirement

This Plan contains an enhanced pension should you become disabled prior to your retirement. Please refer to the section of this booklet entitled “TERMINATION BEFORE RETIREMENT” for complete information.

Amount of Monthly Pension

The amount of monthly pension you have earned is calculated by the Plan’s actuary taking into account the amount of required employee and employer contributions received each year.

Monthly Pensions – Up to December 31, 2018

The Plan used a formula where benefits were calculated per Year of Credited Service. A Year of Credited Service is 52 weeks of employee and employer contributions. If contributions were made for less than 52 weeks in any year, the amount of monthly pension earned in that year was prorated to reflect the ratio of contributory weeks to 52.

The exact amount of monthly pension varied depending on the collective agreement in effect. Please contact the Plan administrator who can provide you with your personal Plan history based on the collective agreements that applied to you.

Monthly Pensions – effective January 1, 2019

Effective with work on/after January 1, 2019, monthly pensions are calculated as 0.9% of all employer and employee contributions paid to the Plan on your behalf. For every $1,000 of combined contributions the annual pension earned is $108.00.

Normal Forms of Pension

The amount of monthly pension shown in your annual pension statemen is expressed in the Plan's normal forms of monthly pension. These forms have been adopted by the Plan in order to conform with Ontario's Pension Benefits Act requirement that you provide continuing pension income to your spouse upon your death, unless that entitlement is waived by your spouse before the first payment of your pension, and to provide equivalent value to you if you do not have a spouse. The forms are:

Joint and Survivor Pension

Under this form, you will receive 100% of the monthly pension to which you are entitled, and that amount will be paid to you for as long as you live. Upon your death, if that person who was your spouse when you retired is still living, she/he will receive 60% of the amount you received for the remainder of her/his lifetime.

Life, Guaranteed Ten Years

If you do not have a spouse upon your retirement, or your spouse has waived her/his entitlement to a joint and survivor pension, then you will receive 100% of the monthly pension to which you are entitled for the remainder of your lifetime. If you should die before you have received 10 years of payments – that is, you have received fewer than 120 payments of monthly pension –the pension will continue to your named beneficiary until 120 payments of monthly pension, in total, have been made.

The Rights of Your Spouse

As noted earlier, The Ontario Pension Benefits Act has legislated certain rights to your spouse insofar as your pension benefit is concerned. If you have a spouse when a payment is due from the Plan – for example, when you retire, die before or after retirement, or transfer out of the Plan before retirement – your spouse has a prior right to receive all or a part of that benefit, unless she/he waives that right as set out later in this booklet.

The meaning of the word "Spouse" is that person to whom you are legally married or, if not legally married to each other, then that person of the same or opposite sex with whom you are living in a conjugal relationship continuously for a period of at least three years or in a relationship of some permanence and are the natural or adoptive parents of a child. In every case, your spouse must be living with you when the first payment of a benefit is due in order to exercise her/his rights as a spouse.

Waiver of Spousal Rights

If your spouse is considering waiving her/his rights to your pension, you must contact the administrator and obtain a Waiver of Joint and Survivor Pension Form for completion by you and your spouse. In accordance with the Ontario Pension Benefits Act this form must be completed by you and your spouse and filed with the administrator before the first pension payment is made. If the form is not filed on time, the administrator cannot accept the form later, and your spouse is deemed to have not waived her/his rights.

The Plan requires evidence that legal counsel has been given to your spouse in connection with the filing of a Waiver of Joint and Survivor Pension. The Plan will arrange legal counsel if your spouse is considering waiving her/his rights to the benefits set out above. You and your spouse should seek financial counsel before waiving a right to a benefit under the Plan.

Optional Forms of Pension

The Plan recognizes that the two normal forms of monthly pension, set out above, may not suit your circumstances. If you do not have a spouse, or she/he has waived her/his rights, you may select one of the first two options set out below. If you have a spouse who does not waive her/his rights to a Joint and Survivor pension the only option you can select is the 100% Joint and Survivor Option in which you name your spouse as your joint annuitant. The options are:

LIFE, ONLY

This will be of interest to you if you want to receive the highest amount of monthly pension available under the Plan. Under this option, the administrator calculates a new and higher monthly pension that is payable to you as long as you live and ceases upon your death.

LIFE, GUARANTEED FIVE YEARS

You may choose this option, which would mean that if you die before receiving 60 payments of monthly pension, the remainder would be payable to your named Beneficiary or Estate. Choosing this option would increase your pension from the normal form of pension because of the shorter guaranteed period.

JOINT AND SURVIVOR, 100%

This option is often selected by members with a spouse, who want to have a monthly pension that does not decrease upon the death of the member. If you choose this option, the amount of monthly pension payable to you will be lower than the previously-stated normal form because the same amount of monthly pension is payable for the remaining lifetime of two persons. A special calculation will be done for you, taking into account your and your spouse's birthdates. If your spouse dies before you, the pension stops on your death.

SELECTING AN OPTION

If one of the above options appeals to you, you are required to give written notification to the administrator of your choice at least 30 days prior to the effective date of your pension. Naturally, you may want to know the effect on your monthly pension of a particular option, and contacting the administrator well in advance of your expected retirement date will get you that information.

Additional Guarantees

Over and above the guarantees set out above with respect to monthly pensions, our Plan also guarantees:

- When you retire or transfer out of the Plan, the administrator will also calculate the commuted value of the pension benefit you earned prior to January 1, 1987, and then compare that value with the sum of your own contributions made to that date, plus interest on those contributions. If the commuted value is less than the sum of your contributions plus Interest, the commuted value will be increased so that it is equal to the sum of your contributions, plus interest. The result of this calculation will either have no effect on your monthly pension, or increase your monthly pension.
- When you retire or transfer out of the Plan, the administrator will also calculate the sum of your own contributions, plus Interest, made to the Plan on and after January 1, 1987, and compare that amount with the commuted value of the pension you earned on and after that date. In the event that your own contributions plus interest are greater than 50% of the commuted value, you will receive a refund from the Plan equal to the amount by which the sum of your own contributions plus interest exceeds 50% of the commuted value. For example, if your post-1986 contributions plus Interest equal $10,000, and the commuted value of your post-1986 accrued pension benefit is $18,000, then you are entitled to a $1,000 refund.

Termination Before Retirement

You might not remain a member of a participating bargaining unit until the date of your retirement. Termination as a Plan member may occur because your employment is terminated, or you may die, or you may remain with your employer but work outside the bargaining unit, or there is no longer in force a collective agreement requiring contributions to be made on your behalf. When that happens, your employer will remove your name from the monthly contribution report, and advise the administrator why contributions have ceased. The Ontario Pension Benefits Act governs what happens to the money that was paid into the Plan, based upon why you terminated, your age at termination, and the length of your Plan membership. The following sets out your rights

Employment Termination
Earlier in this booklet, the Plan rules respecting vesting and locking-in were set out. Since Ontario changed it pension law regarding vesting, it is possible that you are not vested with respect to your pre-1987 contributions but are vested with respect to your post-1986 contributions. Upon your termination, the administrator will determine whether you are vested and locked-in. Contributions to the Plan will be handled as follows:

- If you are not vested in your pre-1987 contributions, you will receive a lump sum refund of your pre-1987 employee contributions plus interest (less applicable withholding taxes). You are not entitled to the contributions made by your employer. The employer contributions will remain in the Plan.
- If you are vested in either only your post-1986 contribution or all of your contributions, you are entitled to one of the following choices:
    1. Leave the contributions in the Plan and receive your monthly pension any time from the first day of the calendar month following your 55th birthday to the end of the calendar year in which you reach age 71
    2. Provided you are not yet age 55, transfer the commuted value of your monthly pension your earned to the date you terminated. You can then use the commuted value to purchase an annuity from an insurance company or you can transfer the commuted value to a locked-In RRSP or to another registered pension plan.
- Please note that if you do not return your option for Termination Benefit Form to the Plan within 90 days from the date of the form, it is deemed that you elected a Deferred Retirement Pension and a Statement of Deferred Pension will be issued to you.

Grow-in Rights

A grow-in right allows pension plans to provide enhanced benefits to those who do not meet the plan's age and service criteria. This Plan does not provide grow-in rights.

Transfer Out of the Bargaining Unit

If, for example, you become a non-union employee of the same employer, your membership in this Plan will be terminated, and all of the above rules for employment termination will apply except with respect to vesting and locking-in for prer1987 contributions. Since your employment with the same employer is continuous, the administrator will have to determine whether you are already vested, or might become vested, for pre-1987 contributions since the vesting rule for such contributions includes 10 years' employment service with the same employer.

If you are vested and Locked-in when you transfer out of the bargaining unit, you have all of the above rights for employees whose employment is terminated.

Disability

During the course of your membership in this Plan, your employment might be interrupted due to disability, which may last for a few weeks or months. During such absences from work, the Plan would not receive contributions, and there would be no increase in your monthly pension during such absences since it is contributions that increase monthly pensions. However, you may experience a disability of greater length, and the Plan has a special feature to preserve and increase your monthly pension in the event that you are continuously and totally disabled for at least six consecutive months, or from the date of disability if your disability is covered by Workers' Compensation. The meaning of “totally disabled” is your inability to perform the duties of any occupation for which you are suited, having regard for your education, training and experience. If you are eligible, the Plan will grant you credited service, retroactive to the onset of your disability, at the monthly pension in effect at the date last worked. For example, if the monthly pension in effect at the onset of your disability is $33.65, and you are granted five years' credited service or the equivalent during your disability, you would have an additional $168.25 of monthly pension added to the monthly pension already accrued to you at the time of your disability. Credited service under this feature will not be granted beyond your attainment of age 65.

Many collective agreements that require contributions to this Plan also require contributions to the Milk Drivers and Dairy Employees Local 647 Welfare Trust Fund (“Welfare Trust Fund”). The Welfare Trust Fund provides both Weekly Indemnity and Long Term Disability Income Benefits, in accordance with particular collective agreements, and if you are eligible for either or both of these benefits, the administrator already has on file medical evidence of your disability, and credited service will automatically be granted. However, you may be ineligible for these benefits, for one of the following reasons:

1. Your disability may be covered by Workers' Compensation, in which case the Welfare Trust Fund's disability income benefits are not payable; or
2. You are not a member of the Milk Drivers and Dairy Employees Local 647 Welfare Plan.

In order to be granted credited service during your disability it is absolutely essential that you contact the administrator within two years of the onset of your disability and provide medical evidence from your attending physician with respect to the date your disability commenced, confirmation that you are totally disabled as previously defined, and whether total disability is expected to be permanent.

If you do not contact the administrator to provide such notice and evidence within two years, the Plan has no obligation to grant you credited service.

As previously noted, those who have been accepted for the granting of credited service during a disability will have their monthly pensions increase up to age 65. This is an extremely attractive feature of the Plan; but it may not be satisfactory to every such person to wait for their pension until they attain age 65. In order to accommodate those disabled persons who wish to receive their pension earlier, the Plan will start payments immediately, provided that the disabled person is at least age 60. In this case, the Plan will pay 100% of the monthly pension earned to the date the monthly pension starts; but before you decide to take your disability pension earlier than age 65, it would be absolutely essential that you have a full understanding of the following:

- The granting of credited service will cease when your monthly pension starts. For example, if you decide to take your disability pension at your age 61, then you would have given up a further four years of credited service if you remained totally disabled up to age 65.
- If you are receiving long term disability (LTD) from a plan, other than the LTD benefit of the Milk Drivers and Dairy Employees Local 647 Welfare Trust Fund, you may find that receiving a disability pension will mean some kind of reduction in your LTD benefit – perhaps dollar-for-dollar. Many LTD plans include this offset, and you are strongly advised to pay strict attention to this, and discuss the matter with your employer and financial advisor. To consider the impact of taking your disability pension before your age 65 and giving up credited service by the Plan, only to find that your LTD benefit will be reduced.
- The LTD benefit of the Milk Drivers and Dairy Employees Local 647 Welfare Trust Fund does not reduce its benefit on account of a disability pension from this Plan.

Finally, during the course of your disability, the administrator may require that you provide evidence that your total disability continues. Failure to supply this evidence automatically terminates the further granting of credited service.

If your disability does not qualify as "totally disabled" (as earlier defined), and you are absent from work for more than 90 days, you are considered as terminated, and the earlier described Termination of Employment provision would apply to you.

Death

The Pre-Retirement Death Benefit of this Plan has been amended to conform with the Ontario Pension Benefits Act. Therefore, the benefit payable by the Plan will depend upon when the contributions were made, the date of your death, whether you were vested when you died, and whether you had a spouse on the date of your death. In accordance with legislation, your spouse has a prior right to receive any death benefit payable by the Plan, unless she/he has filed a Waiver with the administrator prior to your death. Therefore, the person you named as Beneficiary on your Application Card will receive the death benefit payable by the Plan if your Beneficiary is your spouse. If your named Beneficiary is not your spouse, and you have a spouse when you die, the death benefit is automatically payable to your Spouse unless she/he waived that right.

The death benefits payable by the Plan are:

- If you are not vested in your pre-1987 contributions, the benefit payable by the Plan is equal to your pre-1987 employee contributions made to the Plan, plus Interest. Your spouse/Beneficiary will receive this as a lump sum, less applicable withholding taxes.
- If you are vested in either only your post-1986 contribution or all of your contributions and your Beneficiary is your spouse, she/he will receive a lump sum payment equal to the commuted value of the pension you earned to the date of your death. Your spouse may choose to receive this payment in the form of an annuity. If the Beneficiary is not your spouse, the choice of an annuity is not available.

Small Pensions

In order to avoid undue administration costs in the payment of monthly pension cheques, if your monthly pension is not more than 4% of the Year's Maximum Pensionable Earnings (YMPE) or if the commuted value of your monthly pension is less than 20% of the YMPE in the year of your termination/retirement/death, the Plan reserves the right to pay you, in a lump sum, the commuted value of your monthly pension.

Interest on Employee Contributions

The rate of interest credited to your contributions is the average yield on personal five-year term deposits with chartered banks over a recent 12 month period. The amount of interest you earn is determined at the end of each year and displayed on your annual pension statement.

Applying for Benefits

The administrator, or the office of Local Union 647, can provide you a benefits Application Form. If you, or your Beneficiary, are applying for a benefit, there are a few things to keep in mind:

1. The administrator cannot calculate the benefit that is due until your employer has submitted the contribution report covering the last month you worked. These reports are due in the administrator's office by the 20th day of the month following the month covered by the report.
2. You must be prepared to supply the administrator positive proof of your birth date, and that of your spouse if you choose the Survivor Pension option. Ideally, they will be copies of your birth certificate or passport. If these are not available, please contact the administrator for guidance on other evidence, which would include a Statutory Declaration sworn before a lawyer, Justice of the Peace, Notary Public, or a Commissioner for the Taking of Oaths.

Effective Date of Benefits

As was seen earlier in this booklet, you are entitled to receive certain benefits from the Plan, including a retirement, death or termination benefit. It is solely your responsibility to make application therefor, since you alone decide when you are going to retire or transfer out of the Plan. Please note that the administrator will process your application as follows:

Retirement Pensions

When you retire, the effective date of your retirement pension will be the first day of the calendar month first following, or coincident with, the date the administrator receives your application. With the exception of Plan members who are age 65 or older, there will be no retroactive payment of pension.

If you file an application for a retirement pension after your 65^{th} birthday, the administrator will pay your pension retroactive to the first day of the calendar month first following, or coincident with, your 65^{th} birthday or the first of the month following the month in which you stopped working. Interest will be applied to the delayed payment when applicable.

Actuarial Equivalent Value Transfers

These will be processed by the administrator as they are received. Whereas the cash value of the actuarial equivalent may increase as your age increases, you must keep in mind that the administrator will not process your application if you are age 55, or older, because you are entitled to take a retirement pension as early as age 55.

Annual Pension Statement

By June 30^{th} of each year, the administrator prepares a statement disclosing your position in the Plan as at the prior December 31^{st}. Included in that information is the amount of monthly pension you earned to the prior December 31^{st}, which is the amount payable to you when you reach age 65, expressed in the Plan's Normal Forms of monthly pension which were described earlier in this booklet.

By June 30^{th} of each year, the administrator prepares a statement for retired members disclosing the amount of your monthly that you are receiving as at the prior December 31^{st}. Included is the form of your monthly pension and the name of your spouse and beneficiaries.

Other information is included, such as the date on which you will reach age 65, and the name of your spouse if you filed a Member Information Card naming a spouse.

If some of this information is missing, that means that the administrator has not received a fully completed Member Information Card from you. Please obtain a card from the Office of Local Union 647 or the administrator, and file it with the administrator without delay.

Future of The Plan

The Trustees expect and intend to maintain this Plan indefinitely. However, many provisions of the Plan, including the amounts of monthly pension, are contingent upon the amounts of contribution, and the collective agreement continuing to provide for those contributions. The Plan is always subject to the applicable legislation.

As you have seen in this booklet, the Pension Plan is governed by the Income Tax Act, Canada, as well as the Ontario Pension Benefits Act. In the event that either of these laws are amended, such that the Plan must be changed, then the Trustees will amend the Plan so as to maintain registered status. Since the Trustees have no control over these matters, they necessarily retain the right to amend the Plan at any time.

Plan Funding

As of December 31, 2016, the solvency funded ratio of the Plan was 85.0**%.** This means that if the Plan had been terminated on that date and all benefits had to be paid out immediately, the Plan's assets would have been sufficient to cover 85.0% of the Plan's pension obligations. The Plan did not terminate and there is no intention to terminate the Plan.

The Plan is fully funded (120% funded) on a going concern basis as of December 31, 2016, the date of the last triennial actuarial valuation.

Other Information

Preparing for your Retirement

As a member of Local Union 647, you started preparing for your retirement on the first day you worked for a contributing employer. The Plan contributions you earned have been invested by the Plan free of income tax, and by June 30th of each year you receive a statement from the administrator disclosing the amount of monthly pension you earned to the end of the prior year. The amount of that monthly pension is a function of two factors – the rate of weekly contribution allocated to the Plan and the pension benefit formula.

It is a widely held view that you will need 70% to 75% of your pre-retirement employment income, in order to live comfortably during your retirement. This retirement income must come from several sources, including this Plan, Old Age Security, the Canada Pension Plan, and the proceeds from your own savings such as your Registered Retirement Savings Plan (RRSP).

In preparing for your retirement, including the matter of selecting an optional form of pension, one of the considerations must be the cost-of-living where you choose to reside, and how long you and your spouse can reasonably be expected to live after your retirement.

Workplace Safety and Insurance Act, Ontario

This Act was amended effective January 2, 1990 to protect employees against the loss of benefits in the event they suffered a work-related disability. If you suffer such a disability for which Workers' Compensation is payable, your pension will be based on the contributions that you would normally earn under your collective agreement, assuming that you worked the number of hours in a regular work week as defined in your collective agreement and continue to make your own required contributions. This accrual of pension benefits will continue for as long as you are disabled and in receipt of Workers' Compensation, up to a maximum of 12 consecutive months.

Whereas the administrator has arranged with the contributing employers, and the office of the Local Union 647, to receive notice of these work-related disabilities, the fact is that someone may be overlooked, and not receive their proper credit. If you suffer such a work-related disability, you must notify the administrator directly, and supply evidence that you are in receipt of Workers' Compensation, the date of your disability, and, if known, the expected date of your recovery.

Income Tax

Since this Plan is registered under the Income Tax Act, Canada, contributions made by your employer are deductible by the employer in computing corporate income tax. Your own contributions to the Plan are deductible when calculating your income tax each year. Investment gains of the Plan are currently free of tax.

Pension benefits and death benefits are taxable to the recipient. If you are a terminated vested member of the Plan, and request that the actuarial equivalent transfer value of your monthly pension be transferred to a locked-in RRSP or another registered pension plan, or used to purchase an annuity, that transfer will be made free of tax provided that you supply the administrator Canada Revenue Agency's Form T2151(E) for such transfers.

Registered Retirement Savings Plans

The Income Tax Act, Canada was amended in 1990 in a manner that increased the ability of every working Canadian to save for retirement by making even greater contributions to their RRSPs. Starting with the T-4 you received from your employer for employment income, there was an amount on that tax slip identified as the Pension Adjustment (the "PA"), which represented the sum of employer and employee contributions made to this Plan during the year.

Every year the T-4 you receive from your employer will show this PA, which controls the amount that you can contribute to your own RRSP. The most recent amendments to the Income Tax Act, Canada, govern your RRSP maximum contributions as follows:

- RRSP contributions in any year cannot be more than 18% of the prior year's Earned Income, *minus* that prior year's PA. "Earned Income" includes the sum of the following receipts: salary or wages; alimony, maintenance and support payments; a benefit from a registered supplementary unemployment benefit (SUB) plan; and net rental income from real property.
- After you have made this calculation, the maximum you can contribute to your own RRSP has a dollar limit, which is:
    - for 2018, $26,230
    - for 2019 and onward, the dollar limit will be indexed to the Average Industrial Wage.

For example, let's say you're calculating your maximum RRSP contribution for 2018. Your 2017 Earned Income was $35,000, and you and your employer contributed $1,000 to this Plan in 2017. Your 2018 maximum RRSP contribution is 18% of $35,000, minus $1,000, or $5,300. You have until the end of February, 2019 to make a contribution of any amount up to $5,300, and take that contribution as a deduction on your 2018 tax return. If you don't make any contribution, or less than the maximum, you can make up the contribution at any time in the future.

The Notice of Assessment you receive from the Canada Revenue Agency will show your RRSP contribution room.

Old Age Security (OAS)

A full OAS monthly pension is $601.45 (January 2019), and is increased at the start of every calendar quarter to match the increase, if any, in the Consumer Price Index. OAS benefits may be subject to a claw-back based on your income.

Application forms for the OAS benefit are available at any post office or at www.hrsdc.gc.ca.

Application must be made at least three months in advance of your expected payment date. Please check with your Federal government office to be sure of the current rules and application procedures. OAS is payable by the Government of Canada at age 65, or that later date when you have resided in Canada for 10 years. Pensions are payable in full, if you have resided in Canada for at least 40 years after age 18; if you have less than 40 years' residency, the OAS pension you will receive will be reduced.

Canada Pension Plan (CPP)

CPP is funded by contributions made by you and your employers. CPP pays retirement pensions, disability pensions and death benefits. Full retirement pensions are available at age 65; but you may retire as early as age 60 on a reduced pension, or postpone your CPP pension as late as age 70 in which case you will receive a bonus.

The maximum CPP monthly retirement pension at age 65 is $1,154.58 (2019).

CPP Disability Pension

In order to be eligible to receive a CPP disability pension, there are two conditions that must be met:

1. The disability must be considered to be severe and prolonged as defined under CPP legislation,
2. You have to have made enough contributions into CPP while you were working.

Under CPP legislation, your payments start four months after the date Service Canada determines you were found to be disabled under CPP rules. Applications for all CPP benefits are available at any post office or on line at www.Servicecanada.gc.ca.

Education Seminars

As has been done in the past education seminars will be arranged for Plan members. Please watch for the notices that advise you of the day and place for your seminar.

The Administrator

The administrator receives all contributions from contributing employers, maintains all employee records illustrating earned monthly pensions, issues the annual pension statement to members, and periodic statements to retired members, and calculates all benefits due from the Plan. If you wish to contact the administrator, please do so as follows:

Employee Benefit Plan Services Limited
45 McIntosh Drive
Markham, Ontario
L3R 8C7
Telephone: (905) 946-9700
Toll Free: 1-800-263-3564
Fax: (905) 946-2535
ebps@mcateer.ca
www.ontarioteamsters.ca

The information in this booklet is current at the date of printing and reflects the provisions of the text of the Pension Plan, current legislation under the Income Tax Act, Canada and the Ontario Pension Benefits Act. The text and legislation are subject to change, and will determine your eligibility for any benefit in the future.

Privacy Statement: The Plan will collect, maintain and communicate only the Personal Information considered necessary for the administration of the Plan. Personal Information will be protected pursuant to the applicable legislation. The Plan may use and exchange information with relevant persons and organizations including the Trustees, employers, institutions, investigative agencies, unions, insurers, re-insurers, auditors, legal counsel, actuaries, payroll/payment providers and regulatory authorities in order to manage the Plan and entitlement to the benefits of the Plan. Questions related to the Privacy Policy should be directed to the Administration Office.