Local
847 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.

The Plan is a multi-employer pension plan established by collective agreements and a 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 designated 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.

A Board of Trustees (the "Trustees") governs the Plan. The Trustees are required by the Declaration of Trust Agreement to ensure that the Plan is compliant with applicable legislation and will automatically be amended should future legislation require changes to the Plan in order to ensure its ongoing status as a registered pension plan. The Plan is registered with the Financial Services Commission of Ontario (FSCO) and Canada Revenue Agency (CRA). The Plan registration number is 0278408.

Effective March 2014 contributions and future pension accruals to the Plan ceased. The pension you earned in the Plan is based on employer contributions made on your behalf up to March 31, 2014.

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 definitions which may not be capitalized in the Booklet to allow for easier reading.

Actuarial Equivalent:
ensures that when different options are being considered that each option starts from the same basic benefit. When a member has earned a monthly pension and is being offered either the pension or a cash benefit, the cash value will be equivalent to the value of the pension that is

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 the 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 amount of money will be, and vice versa; the higher the discount rate, the lower the amount will be, and vice versa.

Continuous Service:
means each year and month of continuous Local Union 847 membership from the effective date without regard to periods of temporary suspension or layoff from employment as long as the member remains in good standing with Local Union 847.

Effective Date:
means January 1, 1997.

Employee:
Means any member of Local Union 847, any other person employed by an employer or any staff member of Local Union 847 on whose behalf contributions are or have been required to be made, and are or have been made to the Ontario Teamsters Multi Local Pension Trust Fund (the "Pension Trust Fund").

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 847 and who has joined the Ontario Teamsters Multi Local Pension Plan.

Prior Plan:
means the Canadian International Teamsters Union Workers' Pension Plan.

Spouse:
Shall mean, 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

An employee who is employed on or after the Effective Date of the Plan will become a member of the Plan in accordance with the terms of the collective agreement provided he/she:

i. is a member in good standing of Local Union 847, and

ii. has not attained the age of 65, and

iii. is a full-time employee, or

iv. has worked a minimum of 700 hours in each of the two (2) preceding years or has earned thirty-five (35) percent of the Year's Maximum Pensionable Earnings in each of the two (2) consecutive calendar years immediately before the year in which Plan membership is applied for.

Notwithstanding the foregoing, an employee who was a member of the Plan as of December 31, 2001 shall automatically become a member of the Plan on the Effective Date.

Contributions

Local Union 847 set up a new defined contribution pension plan (the “DC plan”) for its members. No contributions shall be made by an employer to this Plan and no further benefit shall accrue in in this Plan respect of an employee from the date the employer starts making contributions to the DC plan. There were no contributions made to the Plan after February 28, 2014.

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, then 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

If you are at least age 55, and vested as set out earlier, you may retire immediately. However, since it is certain that you will receive a pension for a longer period of time than if you delayed your retirement, then the amount of monthly pension that you will receive will be less than the amount earned and payable at age 65.

The reduction is 1/2 of 1% (6% a year) for each month your pension is paid in advance of your age 65. For example, if you have earned a monthly pension of $500, payable at your age 65, and you retire on your 60th birthday, then your pension will be reduced by 30%, to become $350, to account for the fact that you will be receiving your pension 60 months before the normal retirement age.

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.

Amount of Monthly Pension

Effective March 2014 contributions and future pension accrual to the Plan ceased. The pension you earned in the plan is based on contributions made on behalf of you as of that date.

Normal Form of Pension

The “Normal Form of Monthly Pension” is in the form known as Life, Guaranteed Five Years. That means that the amount of monthly pension is payable to you for as long as you live; but in the event of your death before having received 60 payments of monthly pension, then the balance is payable to your beneficiary until 60 payments of monthly pension, in all, have been paid.

However, if you have a spouse upon your retirement, and your spouse does not waive her/his right to a survivor pension (as set out later in this booklet), you are not permitted by Ontario’s pension law to receive your pension in this form since it does not guarantee continuing retirement income to your spouse in the event that you die before your spouse.

The Rights of Your Spouse

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, or die before retirement, – your spouse has a right to receive all or a part of that benefit, unless your spouse has waived that right as set out later in this booklet.

If you have a spouse when you retire, Ontario’s pension law requires that you take your monthly pension in a form that guarantees that a monthly pension is payable until you and your spouse are deceased. When you are applying for a retirement pension you must provide the administrator a written statement verifying whether you have a spouse. If you do have a spouse, and your spouse has not waived the right to a survivor pension, you must provide that your pension will continue to pay your spouse at least 60% of the amount you were receiving, should you predecease your spouse.

It is worth noting that the Ontario *Pension Benefits Act* permanently grants this right to your spouse, even if your relationship with your spouse changes at a later date. For example, if you have a spouse upon your retirement, she/he has a permanent right to receive at least 60% of your monthly pension upon your earlier death, even if you separate or divorce after your retirement, unless she/he waives that right as set out later in this booklet.

The meaning of the word “Spouse” is given in the Definitions section. Your spouse must be living with you when the first benefit payment is due in order to exercise her/his rights as a spouse.

Waiver of Survivor Pension

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. You and your spouse should seek financial counsel before waiving a right to a benefit under the Plan.

Optional Forms of Pension

As stated above, the Normal Form of Pension as of January 1, 2019, is payable to you for the remainder of your lifetime, with a minimum guarantee of 60 payments of monthly pension.

You may prefer to receive your monthly pension in a different form, and you are free to choose any of the following options on the express understanding that:

- if you have a spouse who has not waived the right to a joint and survivor pension, the only available option is the joint and survivor 100% pension;
- if you wish to select an option, you must provide the administrator written notice of your choice before the first payment of monthly pension is made; and
- once your monthly pension starts, you cannot make a change to another form.

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 Life Guaranteed Five Year benefit because under the 100% option 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.

Life, Only

This option pays the highest amount of monthly pension available under the Plan. Under this option, the administrator calculates a monthly pension payable to you as long as you live and ceases upon your death. There will be no amount payable to a spouse or other beneficiary if this option is chosen.

Life, Guaranteed Ten Years

Under this option if you die before receiving 120 payments of monthly pension, the remainder would be payable to your named beneficiary or estate. Choosing this option would decrease your pension from the Life Guaranteed Five Year form of pension because of the longer guaranteed period.

Life, Guaranteed Fifteen Years

Under this option if you die before receiving 180 payments of monthly pension, the remainder would be payable to your named beneficiary or estate. Choosing this option would decrease your pension from the Life Guaranteed Five Year form of pension because of the longer guaranteed period.

Early, Integrated

If your retirement date is prior to your attaining age 65 and if you do not have a spouse, or your spouse has waived entitlement to the spousal benefit, this pension is payable monthly as long as you live. The Plan will pay you a higher amount to your age 65 and a lower amount thereafter in an attempt to level out your total pension payments before and after you qualify for government benefits.

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 otherwise you expect you will not be working for an employer for the foreseeable future and wish to voluntarily terminate your membership in the Plan. The Ontario *Pension Benefits Ac*t 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:

Death Before Retirement

The pre-retirement death benefit of this Plan has been amended to conform with the Ontario *Pension Benefits Act*. 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. If you named your spouse as beneficiary on your Member Information Card, she/he will receive the death benefit payable by the Plan. 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 there is no death benefit payable for your pre-1987 contributions.
- 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.

Termination of Membership in Teamsters Local Union 847

If your membership in Teamsters Local Union 847 is terminated, and you are not yet age 55, you have the following choices:

1. do nothing, and collect your monthly pension at any time after you reach age 55 and prior to the end of the calendar year in which you attain age 71. If you start your monthly pension prior to your age 65, the early retirement reduction formula, set out earlier in this booklet, will apply.
2. Contact the administrator to have a lump sum equal to the actuarial equivalent calculated, and use that money in any one of the following ways:
    - transfer the money to a Canadian life insurance company to purchase an immediate or deferred annuity, always provided that payments from that annuity cannot start before you attain age 55; or
    - transfer the money to a locked-in Registered Retirement Savings Plan, administered by a financial institution that has been approved by The Financial Services Commission of Ontario; or
    - transfer the money to another registered pension plan.

    If you are transferring the money out of this Plan, you must first provide the administrator written documentation from the receiving financial institution that the money transferred will be administered in accordance with the Ontario *Pension Benefits Act*. You must also supply the administrator Canada Revenue Agency's Form T2151, so that the transfer can be made

without withholding on account of income tax. A transfer cannot be made until you supply the paperwork to the administrator.

Voluntary termination occurs when you are no longer a member of any registered pension plan sponsored by Teamsters Local Union 847 and there are at least three consecutive months during which no employer contributions have been received by the administrator on your behalf.

In this case, you have all of the rights and privileges set out immediately above as they respect persons who terminate their membership in Local Union 847.

Although it may be to your advantage to transfer the value of your monthly pension out of this Plan, it would be important to recognize that, in so doing, you are no longer a member of the Plan, and will not participate in the event that changes, including increases or decreases in accrued pension benefits, are implemented by the Trustees.

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 Canada Pension Plan's 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.

Applying for Benefits

The administrator, or the office of Local Union 847, 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 they have verified that you are not a member of any registered pension plan sponsored by Teamsters Local Union 847.
2. You, or your beneficiary, must be prepared to supply the administrator proof of your birth date, and that of your spouse if you choose the joint and survivor pension option. Proof of birth includes 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.
3. If you are applying for a retirement benefit please allow at least 30 days for the administrator to process your application provided you have supplied all of the necessary documentation.
4. Death and termination benefit processing normally takes about 90 days and is always subject to the administrator having all of the necessary documentation.

Effective Date of Benefits

As was noted earlier in this booklet, if 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 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 65th birthday, the administrator will pay your pension retroactive to the first day of the calendar month first following, or coincident with, your 65th 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 an application to transfer out of the Plan if you are age 55, or older, because you are entitled to take a retirement pension from the Plan as early as age 55.

Annual Pension Statement

By June 30th of each year, the administrator prepares a statement disclosing your position in the Plan as at the prior December 31st. Included in that statement i is the amount of monthly pension you earned to the prior December 31st, which is the amount payable to you when you reach age 65. The benefit is expressed in the pension plan's normal form of monthly pension – Life Guaranteed Five Years - described earlier in this booklet.

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 information is missing from your annual statement, 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 847 or the administrator, and file it with the administrator without delay.

By June 30th 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 31st. Included is the form of your monthly pension you selected, the name of your spouse and beneficiaries.

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 Plan maintaining appropriate funding under applicable legislation. Future funding for the Plan will come only from investment income since, as noted earlier, Teamsters Local Union 847 did not negotiate contributions under collective agreement after March 2014.

As you have seen in this booklet, the 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 847 Division had an unfunded liability, measured on a going concern basis of $249,100. Effective the same date, the solvency ratio of the 847 Division of the Plan was 70.0%. This means that if the Plan had terminated on that date and all benefits had to be paid out immediately, the 847 Division of the Plan's assets would have been sufficient to cover 70.0% of the 847 Division of the Plan's pension obligations. The Plan did not terminate and there is no intention to terminate the Plan. The changes made to the Plan in 2018 are expected to improve the Plan's funding position.

Other Information

Preparing for your Retirement

As a member of Local Union 847, 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 Pension Trust Fund, free of income tax.

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 paid to the Plan and the pension accrual 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 may come from several sources, including this Plan, the DC Plan, Old Age Security, the Canada Pension Plan, and the proceeds from your own savings such as your Registered Retirement Savings Plan (RRSP).

Income 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.

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 for OAS should 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 benefit you 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 maintains all employee records, issues the annual pension statement to members and retired members, and calculates all benefits due from the Plan following the Plan's rules. If you wish to contact the administrator, please do so as follows:

Employee Benefit Plan Services Limited

2255 Sheppard Ave. E, Atria 1, Suite 201, Toronto, ON M2J 4Y1

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 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 administrator.