

# The Machinists, Fitters & Helpers Local 3 Pension Plan



*Administrator:*

**D.A. TOWNLEY & ASSOCIATES LTD.**

**#101 - 4190 LOUGHEED HIGHWAY**

**BURNABY, B.C. V5C 6A8**

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*Collective agreements between the Union and the employers specify that an hourly contribution must be paid to the Pension Plan.*

*A Pension Plan has been established and registered with the Canada Revenue Agency. The Pension Plan is administered by a Board of Trustees appointed by the Union. The day-to-day administration of the Plan is carried out by D.A. Townley & Associates Ltd.*

*This booklet contains details of the benefits provided by the Plan and at the same time answers many of the questions you may have about the Plan. It has been prepared by the Trustees to help you understand the Plan. If there is any discrepancy between the information contained in this booklet and the Pension Plan Text, then the wording of the Plan Text will govern.*

*Each year you will receive a statement of your benefits under the Plan accumulated to date. You can verify that the proper contributions have been made by your employer by examining this statement. You must inform the Administrator if there are any discrepancies or errors in your statement of benefits.*

### **The Board of Trustees**

R. Wickett      K. Smith      R. Pugh  
A. Malone      J. Caley

### **The Administrator**

D.A. Townley & Associates Ltd.  
101 – 4190 Lougheed Highway  
Burnaby, British Columbia V5C 6A8

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### **When was the Plan Established?**

The Plan went into effect on January 1, 1975. The Plan was most recently amended as of January 1, 2001. The Plan is a Defined Contribution (money purchase) Plan.

### **Who is covered Under the Plan?**

Each person who is working under the terms of the Collective Agreement between an Employer and The Machinist, Fitters & Helpers Local 3 and is a member of the union, shall automatically participate in the plan. An enrolment card must be completed by each Member and submitted to the Administrator.

### **What Contributions are Made to the Plan?**

Each participating Employer will contribute on an hourly rate at the amount stipulated in the Collective Agreement.

### **What is the Objective of the Plan?**

The Plan is designed to provide a monthly life income for Members who retire under the Plan. Additionally, benefits are payable if you leave the Plan prior to retirement or if you die prior to retirement.

### **When May You Retire and Begin to Receive a Pension?**

The following are four possible dates when you can receive pension benefits.

#### ***Normal Retirement***

The normal pension commencement date is the first day of the month on or after your 65th birthday. You may also retire when you have accumulated 30 years of credited service.

#### ***Early Retirement***

A Member who is age 55 or older may elect to receive pension benefits as of the first day of any month, provided that you have 5 years of credited service and that you have stopped working under the Collective Agreement.

#### ***Delayed Retirement After Age 65***

If you continue to work beyond your normal retirement date, then you may receive a pension on the first day of any month following your normal retirement date. You must, however, retire no later than the end of the

calendar year following your 69<sup>th</sup> birthday. You may earn pension credits up to the date that you start to receive pension. You will not receive any credit for pension contributions received after your retirement date.

### ***Disability Retirement***

If you become totally and permanently disabled as defined under the Plan, you may retire on a disability retirement date which may be the first day of any month before your 65<sup>th</sup> birthday and after the date your permanent and total disability is found to be total and permanent by the trustees. A Member is considered to be permanently and totally disabled under the Plan if, in the opinion of the Trustees and based on medical evidence, the Member is deemed to be unable to engage in any gainful occupation or employment. In no event, however, will disability be considered to be permanent until it has continued for a period of at least 6 months.

### **What Retirement Benefits are Provided by the Plan?**

Retirement benefits are based upon the contributions received in respect of hours of credited service after the start of the Plan, up to the date of your retirement.

The contributions received on your behalf are invested in a Trust Fund. The Trust Fund is managed by professional money managers selected by the Board of Trustees. Each year there is credited to your account, interest at the net rate earned by the Plan. At retirement the amount of money in your Account is used to provide you with retirement income.

When you retire, the amount of money in your account will be used to buy a pension, in the form of an annuity, which will provide you with retirement income. If you do not wish an annuity to be purchased on your behalf, you will be able to transfer your money out of the Plan into another financial instrument that will provide income in retirement.

You will be given a number of options when you retire, including an annuity. If you do not wish an annuity to be purchased on your behalf, you will be able to transfer your money into an RRSP, or use it to buy a Registered Retirement Income Fund (RRIF) or a Life Income Fund (LIF). The money contributed by your Employer after 1992 will be deemed to be "locked-in". Locked-in money is money that can only be used to buy you retirement income. It will never be available to you in cash.

Any Member who is coming up to retirement should contact the Plan Administration at least 3 months before retirement to ask for estimates of their pension amounts.

## **Types of Retirement Income**

### **Annuity**

An annuity is a retirement vehicle that provides you with continuing monthly income at a level that is dependent on the total amount of money in your Accounts and the form of payment that you choose. You would purchase an annuity from a life insurance company of your choosing. Forms include a pension for your life, ceasing on your death or continuing on your death to your spouse at the same level or at some reduced level of your choosing.

### **Registered Retirement Income Fund (RRIF)**

A RRIF is a registered retirement vehicle into which the money in your RRSP's can be transferred to maintain your registered (i.e. tax exempt) status. The non-locked-in money from your Accounts can be transferred to a RRIF. You must receive payments each year (starting not earlier than age 55 nor later than December 31 of the year you turn 69). You must receive payments at a minimum level set by the Canada Revenue Agency from the RRIF. There is however no maximum payment level. Payment levels can change at any time.

### **Life Income Fund (LIF)**

A LIF is a locked-in registered retirement income fund (RRIF) contract from which you must receive payments each year (starting no earlier than age 55 nor later than December 31 of the year you turn 69). The LIF is a vehicle designed to provide income from that portion of your Accounts that is locked-in. You will be asked to choose a payment level anywhere between a minimum and a maximum. The LIF must also be converted to a life annuity not later than December 31 of the year you turn 80.

### **Definition of Spouse**

Your spouse is a person to whom you are married and not living separate and apart from or a person with you have been living (whether they be of the opposite or same gender) for the 2-year period preceding the relevant time.

If you have a Spouse, you must, by law, receive your pension in a form that will provide him or her with at least 60% of the pension that was in payment to you during

retirement. Your Spouse can choose to waive his or her right to this mandatory form, and allow you to choose some other form of income.

### **Application for Retirement Benefit**

You must make written application requesting commencement of retirement benefit payments at least 3 months before retirement.

### **Vesting**

Vesting means that a Member has a right to receive a pension benefit on retirement. At present your Plan requires 1 year of Credited Services and being a member of the Union before you become fully vested in the pension accumulation to date.

A year of Credited Service is earned if you work 175 or more hours in a Plan Year for a participating employer.

### **How Does my Membership in the Plan Terminate and What Happens When it Does?**

For the purpose of the Plan a Member's Membership will be deemed to have terminated if during two consecutive Plan years his/her Employers have remitted for less than a total of 350 hours. If this happens, then the terminating Plan Member will be entitled to receive his/her accumulated pension in full if he/she is fully vested.

If after receiving his/her accumulated Pension the terminated Member again becomes a Member of the Plan, he/she will be treated as a new Member under the Plan and will not be entitled to any retirement benefits for service prior to his/her reemployment date.

If you terminate your Membership in the Plan, you will still be entitled to a Pension if you were fully vested and did not receive a transfer value for your accrued benefits.

Be sure to notify the Plan of any address changes so that we may keep you informed.

### **Portability**

When a Member terminates his/her Membership in the Plan, if he/she is fully vested (i.e., has more than 1 year of Membership in the Plan and is a member of the Union) he/she can request the Trustees transfer that part of his/her Account Balance which comes from contributions paid to the Plan after January 1, 1993 to his/her locked-in RRSP. A "locked-in" RRSP is a special RRSP which prevents you

from receiving the money except when you are ready to purchase retirement income. The rest of his/her Account Balance can be either transferred to an RRSP or be paid in cash, less applicable taxes.

### **Can I Assign or Borrow Against My Pension?**

Benefits under the Plan may not be assigned in any way, except in certain cases where benefits are split upon divorce. Your pension is fully protected against all creditors except Canada Revenue Agency.

### **What Happens if I Die Before Retirement?**

If a Member dies prior to his/her retirement, and is survived by his/her Spouse, the Plan will pay a lump sum benefit to the Spouse equal to the total value of the deceased member's Account Value at the date of his/her death. Where there is no Spouse, then the benefit will be paid to the beneficiary and if there is no beneficiary then it will be paid to the Estate.

### **Marriage Breakdown**

In the event of marriage breakdown, new B.C. Legislation provides for more flexibility as the Member's pension becomes part of the family assets to be shared between the parties. You should contact your legal adviser for legal advice.

Your Spouse has enforceable legal rights to a share in the benefits of the Plan and the new legislation sets out how the Plan is to protect his/her rights.

### **Access to Information**

You can have access to all documents relating to the Pension Plan. Documents can be viewed at the Administrator's or Union offices. Personal information about other Members is, of course, not available.

### **What Else Should You Know?**

It is your responsibility to make application to the Trustees through the administrator to receive benefits when you are entitled to them. If no application is received by the Trustees, the Trustees will attempt to contact the person eligible to receive the payment due. If they are unable to do so, then the benefit may be forfeited.

When you name someone as your beneficiary, please advise them. When you change your beneficiary, please advise both parties of the change.

Please request from the Administrator a member record card, if you wish to:

1. Change your beneficiary\*;

\*Please note, if you do have a spouse or are living with a person for 2 or more years as husband or wife, you must nominate him/her as your beneficiary.

2. Change your address; or

3. Enrol in the Plan.

Please make sure that you date and sign the member record card and mail it to the Administrator.



**ADMINISTRATOR:**

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