I.A.M. Labour – Management Pension Fund (Canada)

Summary Plan Description

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I.A.M. Labour – Management Pension Fund (Canada)

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Mission Statement

The I.A.M. Labour – Management Pension Fund (Canada) is dedicated to preserving enhancing delivering pension benefits for its membership and providing information for retirement planning and decision – making.

Dear Participant:

We are pleased to provide you with this Summary Plan Description for the I.A.M Labour – Management Pension Fund (Canada). This booklet will give you an understanding of:

- How you become a Plan participant,
- What your benefits are, and
- How your benefits are calculated.

It's important that you understand how the Plan works. That's why we urge you to read this booklet carefully. It's also good share it with your family so that they are aware of your pension benefit, as well as any survivor benefit to which they may become entitled. We also suggest that you keep this booklet handy for future reference.

This booklet describes the benefits available through the Plan as of January 1, 2007. However, it is only a summary of the Plan's provisions. If there is any conflict between this summary and the Rules and Regulations, the Rules and Regulations apply.

To administer the Plan, the Fund Office requires certain personal information about you, such as your date of birth and Social Insurance Number. The Fund Office also needs to track your hours of employment to ensure that contributions are received on your behalf and that you are credited with pension credits based on your hours worked. This information is generally provided by your employer. You will also be asked to provide other information, including details about your spouse or beneficiary, so benefits may be paid to the appropriate individual in the event of your death. On occasion, the Fund Office may need to share some of your personal information with actuaries and other pension professionals. The Fund Office will take reasonable steps to protect the privacy of this information. By participating in this Plan, you are consenting to the Plan's collection, use and disclosure of this personal information as required for the administration of the Plan.

If you have any questions or require additional information regarding your Pension Plan, contact your union representative or servicing representative. You may also send written questions to the Fund Office.

Sincerely,

The Board of Trustees

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About Your Pension Plan

I.A.M. Labour -Management Pension Fund (Canada) was established as a result of collective bargaining between employers and various Canadian Lodges of the International Association of Machinists and Aerospace Workers.

The Plan is managed by a joint Board of Trustees on which the union and the employers are equally represented. The Trustees are responsible for the overall operation of the Plan. They serve without compensation.

The Plan is financed entirely by contributions from employers and investment income. Employer contributions are deposited in a trust fund held by a trust company. The Trustees have hired professional money managers to invest the Plan's assets.

The Plan is registered with the Canada Revenue Agency and the Financial Services Commission of Ontario. The Plan's Registration Number is 00555243.

This Summary Plan Description is based on the Rules and Regulations of the I.A.M. Labour-Management Pension Fund (Canada) as amended and restated by the Board of Trustees effective January 1, 2007. It applies to all employees of contributing employers and participants of the Plan on or after January 1, 2007. Unless specially stated otherwise, benefit entitlement of former employees who retired, terminated or died before January 1, 2007 will be governed by the Plan in effect at the time of their retirement, termination or death.

Certain provisions vary according to the province in which the employees work and whether the person's employment is governed by provincial or federal pension law. Some of these variations are noted in this summary. More details can be obtained by contacting the Fund Office.

The explanatory material that follows is intended to provide a summary of the Plan in plain language. It is not intended to either change or interpret the Plan as adopted by the Board of Trustees. Only the Trustees are authorized to interpret the Plan. No other Employer or Union representative is authorized to interpret this Plan, speak for it, or commit the Trustees in any matter relating to this Plan. The benefits provided under the Plan are not guaranteed. As circumstances may warrant from time to time, the trustees have the right to change, amend or revise the Plan, including the right to improve or reduce benefits.

Definitions

As you read through this document, use the list below as a reference to help you understand the meaning of important words and phrases.

Commuted Value: The current lump sum value of a future monthly benefit.

Contributing Employer or Employer: An employer who makes contributions to the Plan on your behalf I accordance with a Collective Agreement or other agreement with the Trustees.

Contribution Date: Your contribution date is the date a contributing employer first makes contributions to the Plan on your behalf. Your employer's contribution date is the date the employer first makes contributions to the Plan on behalf of any employees.

Contribution Rate: Your Lodge's Collect8ive Agreement with any contributing employer for whom your work establishes a contribution rate, the amount the employer must contribute to the plan for every employee. This amount is expressed in a unit ("per hour," "per day," "per week"). There may be more than one rate during the term of the contract, and the rate may change from contract to contract through negotiations between the employer and the Union.

Covered Employment: Employment with a contributing employer for which contributions are made ad future service is granted.

Employee: You are an "employee" if you are employed by contributing employer who is obligated to contribute to the Fund on your behalf in accordance with a Collective Agreement or other agreement with the Trustees.

Normal Retirement Age: Age 65 or, if later, your age when you complete the eligibility requirements to become a participant.

Pension Adjustment (PA): An adjustment to your Registered Retirement Savings Plan (RRSP) contribution room due to your participation in this Plan; the PA equals the total contributions made to the Plan on your behalf during a calendar year.

Spouse For the purpose of this Plan, a "spouse" is generally a person of the same or opposite sex who is legally married to you or who has been living with you in a common-law relationship for a period of time. However, the precise definition of a spouse varies according to the province in which you work and whether your employment is governed by provincial or federal law. For more details, contact the Fund Office.

Vesting/Vested: When you have vested status, you have a right to receive a pension benefit from the Plan which cannot be taken away from you.

YMPE: The yearly maximum pensionable earnings on which your Canada/Quebec Pension Plan contributions are based.

Participation

Who can participate in this Plan?

You can participate in this Plan if you work for an employer who has:

- a Collective Agreement with a Lodge, or
- an Agreement with the Trustees to contribute to the Fund on your behalf, and the employer has been by the Trustees as a contributing employer.

When do I become a Plan Participant?

You become a participant in the plan as soon as you meet one of these conditions:

- You complete 12 months of future service credit* or
- **Alberta and British Columbia Participants:** you complete two consecutive years of covered employment after your contribution date (the date a contributing employer first makes contributions to the Plan on your behalf), and work at least 350 hours and earn at least 35% of the YMPE** in each of the two years.

Or on any earlier date specified by the federal or provincial pension law that applies to you.

* For more information on future service credit, see page 6

** The YMPE is the yearly maximum pensionable earnings on which your Canada/Quebec Pension Plan contributions are based.

When do I become a Participant if my Employer becomes a Contributing Employer for the first time?

The date your employer first makes contributions to the Plan on behalf of any employees is called the employer's "contribution date". If you are an employee on that date, your employment with the employer immediately before the employer's contribution date will count towards satisfying the service requirement for the purpose of determining when your participation starts. For example, if you have been employed for at least 12 calendar months immediately before your employer's contribution date, you will become a participant on your employer's date. If you have been employed for less than 12 months, each month of employment will counts as 150 hours toward meeting the service requirement for participation.

Who does my Working Time Count?

The preceding sections explain how your working time affects when you become a participant of the Plan. The amount of time you work also counts for:

- Earning pension credits – Your pension credits help determine when you are eligible for pension and how much your monthly pension will be. Pension credit is the sum of your future service credit and any past service credit for which you may qualify.

- Becoming vested in the Plan –"Becoming vested" means you have a right to receive a pension benefit from the Plan which cannot be taken away from you.

These two components of the Plan, which work in separate and equally important ways, are explained in the following sections.

What happens if I work for more than one Employer during the year?

Even though you may work for two or more different contributing employers during a calendar year, you will receive credit for pension and vesting purposes as if all the work had been done for one employer.

Earning Pension Credits

Future Service Credit

Each calendar year you receive a future service credit at the following rate:

- You are credited with one month of future service credit for every 150 hours in a calendar year for which contributions are made on your behalf to the Fund.

If you continue to work in covered employment, you can earn future service credit through too the end calendar year in which you reach age 71.

Your total hours in a calendar year are converted into months of future service credit using the following table:

Hours worked in Calendar Year For which Contributions are made	Months of Future Service Credit
Les than 150 hours	0
150 – 299	1
300 – 449	2
450 – 599	3
600 – 749	4
750 – 899	5
900 - 1,049	6
1,050 – 1,199	7
1,200 – 1,349	8
1,350 – 1499	9
1,500 – 1,649	10
1,650 – 1,799	11
1,800 – 1,949	12
1,950 – 2,099	13
2,100 – 2,249	14
2,250 – 2,399	15
2,400 – 2,549	16

Example:

Bill's employer begins making contributions to the Fund on his behalf on February 1, 2000 (his contribution date). Bill works:

- 1,560 hours in 2000, 2001, 2002 and 2003
- 850 hours in 2004, 2005 and 2006
- 1.965 hours in 2007

According to the above table, Bill receives the following future service credit or each year he has worked after his contribution date:

- 10 months of credit for each of the 4 years he worked, 1560 hours (10 x 4 = 40 months)
- 5 months of credit for each of the 3 years he worked 850 hours (5 x 3 = 15 months)
- 13 months of credit for 20177 (13 months)

That means Bill earns a total of 68 months of future service credit

Past Service Credit

This section summarizes the past service credit provisions that apply to employees of employers that became contributing employers on or after June 19, 2007. (**Note**: If you became a participant when your employer started contributing to the Plan before June 19, 207, different provisions apply to you. Please contact the Fund Office for more information.)

Past service credit relates to the time you may have worked for an employer immediately before that employer became a contributing employer (the employer's contribution date).

When an employer joins the Plan, an actuarial study is conducted of the age and service of the employees then working for the employer. The purpose of this study is to determine the schedule for future service benefits and whether the employer's contributions, after paying for the cost of future service benefits, will cover the cost of past service credit. If the actuarial study for your employer shows that past service credit could be granted, you will qualify for past service credit if you meet both of the following conditions:

- You have 24 months of future service credit and
- You worked for your employer for at least 135 days in each of the three calendar years preceding the calendar year of your employer's contribution date (this requirement may be reduced or waived in exceptional circumstances).

If you qualify, you will be granted one year of past service credit for each calendar year preceding your employer's contribution date in which you worked at least 135 hours, subject to the following conditions:

- when you complete 24 months of future service credit, you will be granted up to 4 years of past service credit,

- After this date, you will be granted up to 2 years of past service credit each time you complete 12 months of future service credit, and
- In total, you may be granted up to 10 years of past service credit.

If you are eligible, your years of past service credit will be shown on the annual benefit statement that you receive from the Fund Office. If you need more information on how past service credits are granted, please contact the Fund Office.

Example:

Joe's employer becomes a contributing employer on July 1, 2007 and an actuarial study shows that past service credit can be granted. Joe has worked for this employer con tenuously since January 1, 1996.
By July 1, 2009, Joe has earned 24 months of future service credit. He has also worked at least 135 hours in each calendar year before the employer's contribution date (in 2004 and 2006). Therefore he is eligible for past service credit.
Assuming Joe continues to earn future service credit each year, his past service credit is granted ass follows:

- 4 years are granted on July 1, 2009
- 2 years are granted on July 1, 2010
- 2 years are granted on July 1, 2011
- 2 years are granted on July 1, 2012

By July 1, 2012 Joe reached the maximum of 10 years of past service

Ontario Participants: If you are absent from work with a contributing employer due to a work-related injury for which you are receiving Ontario Workplace Safety and Insurance Board (WSIB) benefits, you will be credited with 150 hours of future service credit per month to a maximum of 12 based on a contribution rate in effect at the time of your injury. This is a requirement under the Ontario Workplace3 Safety and Insurance Act. If you are absent on a WSIB claim, please make sure your employer notifies the Fund Office and provides the necessary documentation in order for you to receive this service credit.

Vesting

What is Vesting?

Vesting means entitlement. If you are vested, it means you have earned the right to a pension when you retire. You cannot lose right, even if you stop working for a contributing employer.

What is Vesting Service?

Vesting service is a measure of service while participating in the Plan. It is used to determine your vested status.

Alberta and British Columbia Participants: You receive one year of vesting service for each calendar year after become a participant in which you worked for a contributing employer for at least 350 hours.

All other Participants: You receive one year of vesting service for each 12-month period that you are a participant in the Plan.

When am I vested?

You may become vested when you satisfy one of the following conditions:

- You have earned two years of vesting service, or
- You reach the normal retirement age while you are a participant of the Plan

Example:

Steve begins working for a contributing employer on December 1, 2003. He becomes a participant in the Plan on January 1, 2005 after earning a year of future service credit.
Steve remains a participant in the Plan for all of 2005 and 2006, earning two years of vesting service. On January 1, 2007, Steve

When am I vested if my Employer becomes a Contributing Employer for the first time?

If you are an employer of a new contributing employer, your employment with that employer immediately before that employer's contribution date will count towards your vested status:

- If you were employed for the 36-month period immediately before your employer's contribution date, you will immediately have vested status on your contribution date for any benefits based on tour future service credit earned after that date.
- If you have more than 12 months but less than 36 months of employment immediately before your employer's contribution date, you will be vested in the benefits based on your future service credit when your months of employment before your employer's contribution date and your months of participation in the Plan total 36.

Note: Your rights as a vested participant may be affected by special rules if your employer terminates participation in the Plan. For more information, contact the Fund Office.

Pensions

What types of Pensions are available?

The Plan offers four types of pensions:

- Normal Pension
- Early Retirement Pension
- Deferred Pension
- Disability Pension

When do I become Eligible to Receive a Pension?

Normal Pension

You are eligible for a normal pension if you:

- Reach normal retirement age, and
- are vested

Early Retirement Pension

You are eligible for an early retirement pension if you:

- Are at least age 55 but have not yet reached your normal retirement age, and
- Are vested

Deferred Pension

- You may receive a deferred pension payable when you retire if you:
- Terminate participation in the Plan,
- Are vested, and
- Are not eligible for an immediate normal or early retirement pension.

This benefit usually starts at your normal retirement age. However, you may elect to start receiving a reduced benefit at any time after age 55.

Disability Pension

You may receive a disability pension if you:

- Become permanently and totally disabled while you are a participant,
- Have at least 10 years of pension credit, including at least 12 months of future service credit, and
- Are not eligible to retire on as normal pension

You are considered permanently and totally disable if:

- A licensed medical doctor certifies in writing that you are suffering from a physical or mental condition that prevents you from being able to do any work for which you're suited according to your education, training and experience, and
- This condition, is expected to last for the rest of your life.

You may be required to be examined by a doctor that the trustees select, and may be re-examined at periodic intervals as the Trustees see fit.

How much Pension will I Receive?

Normal Pension

The amount of your pension is your future service benefit plus any past service benefit that you may be eligible to receive.

Future Service Benefit

Your future service benefit is based on:

- Your years of future service credit,
- Your employer's contribution rate for each of those years, and
- A pension benefit schedule that specifies the dollar amount of monthly pension earned per year of future service credit at different contribution rates.

The pension benefit schedule varies for different contributing employer groups. The schedule is based on an actuarial study conducted when an employer joins the Plan. This study takes into account the age and service of the employees then working for the employer. When you join the Plan, you will be provided with the pension benefit schedule that applies to your employer.

Example:

Paul earns 20 years of future service credit at various contribution rates. Based on the pension benefit schedule that applies to this employer, Paul's future service benefit is calculated as follows:

Contribution Rate Per hour	Monthly Pension for each Year of Service	Multiplies by Years of Service	Monthly Pension
$0.70	$28.00	3 years	$84.00
$0.90	$36.00	1 year	$36.00
$1.10	$44.00	3 years	$132.00
$1.20	$48.00	4 years	$192.00
$1.30	$52.00	3 years	$156.00
$1.40	$56.00	3 years	$168.00
$1.50	$60.00	2 years	$120.00
$1.70	$68.00	1 year	$68.00
Paul's monthly normal pension at age 65 (future service portion):			$956.00

Past Service Benefit

If you qualify for past service credit, you will receive a past service benefit based on the years of past service credit you qualify for and the contribution rate in effect on your first employer's contribution date. If you need more information on this benefit, please contact the Fund Office.

Example:

Paul from the previous example, also qualifies for 5 years of past service earned at $0.70 per hour contribution rate, which provides him with a pension of $21 per month for each year of past service. Paul's past service benefit is calculated as follows:

Contribution Rate Per hour	Monthly Pension for each Year of Service	Multiplies by Years of Service	Monthly Pension
$0.70	$21.00	5 years	$105.00

Paul's monthly normal pension at age 65 is:

Past service Benefit	$105.00
Future Service Benefit	$956.00
Paul's total monthly normal pension at age 65	$1,061.00

Early Retirement Pension

Your early retirement pension benefits is first calculated the same way as your normal pension. Then, your pension amount is reduced because you are retiring before your normal retirement age. The reduction is 0.5% for every complete month that you are younger than your normal retirement age.

Example:

Let's assume Paul in the previous example wants to retire and receive an early retirement pension when he reaches age 62. Since Paul will be 36 months (three years) younger than his normal retirement age (age 65), his normal pension of $1,061 per month will be reduced by 18% (.5% x 36 months)

To determine Paul's early retirement monthly benefit, his normal pension is reduced by the early retirement pension reduction:

$1,061 x 18% = $191 (amount of early retirement pension reduction)

$1,061 - $191 = $870 (normal pension minus early retirement

Deferred Pension

If you are eligible for a deferred pension, your monthly pension calculation depends on whether your pension payments begin before or after have attained your normal retirement age.

On or after your normal retirement age - If your deferred pension begins on or after your normal retirement age, your benefit is calculated like a normal pension.

Before your normal retirement age – If your deferred pension begins before you reach your normal retirement age, your benefit is calculated like an early retirement pension.

Disability Pension

If you are eligible for disability pension, you will receive 110% of your retirement pension based on the years of pension credit earned up to the date of your disability. Your pension must not exceed the normal pension amount you would receive if you were age 65 at the start of your disability.

If you are not yet age 55 on the date on which the disability pension is first payable to you, your benefit will be determined as though you were age 55 on that date.

Payment of Pensions

Standard Forms of Payment

If you do not have a Spouse – 60 Months Minimum

If you do not have a spouse when you retire, your normal, early retirement or deferred pension will be paid monthly for your lifetime with a minimum of 60 monthly payments. This means that if you die before receiving 60 payments, your beneficiary will continue to receive benefits until the balance of the 60 payments have been made. If you die after receiving 60 payments, benefits do not continue to anyone else.

Note: A disability pension is not eligible for this 60-month minimum form of payment.

If you have a Spouse – 60% Joint and Survivor Benefit

If you have a spouse when you retire, by law, your normal, early, deferred or disability pension must be paid as a 60% joint and survivor benefit. This means you will receive a reduced monthly benefit for life. When you die, your spouse will receive 60% of that reduced amount for the rest of his or her life. The benefit reduction reflects the fact that retirement benefits will be paid over two lifetimes – yours and your spouse's – instead of just over you're your own lifetime with a 60-month minimum (or in the case of a disability pension, with no minimum number of payments).

You and your spouse may waive the joint and survivor benefit by submitting a Spousal Waiver Form to the Trustees. This form must be signed by you, your spouse and a witness and filed with the Trustees before your benefit begins.

Once you file a Spousal Waiver Form, you may receive the standard form for participants who do not have a spouse, or select one of the optional forms of payment listed below if you retire on a normal, deferred, or early retirement pension.

Note: If you enter into a spousal arrangement after your pension payments start, your spouse will not be entitled to a survivor pension under the Plan.

Optional Forms of Payment

If you (and your spouse, if applicable) have waived the standard form of payment, you may elect one of the following optional forms at the time you file your pension application. Once payment of an optional form begins, it cannot be changed.

120 Certain Payments (10-Year Minimum) – Normal, Early and Deferred Pensions Only

This option provides you with a reduced monthly pension for life, with a minimum of 120 monthly payments. If you die before receiving 120 payments, your beneficiary will continue to receive benefits until the balance if the 120 payments have been made. If you die after receiving 120 payments, benefits do not continue to anyone else.

180 Certain Payments (15-Year Minimum) – Normal, Early and Deferred Pensions Only

This option provides you with a reduced monthly pension for life, with a minimum of 180 monthly payments. If you die before receiving 180 payments, your beneficiary will continue to receive benefits until he balance of the 180 payments have been made. If you die after receiving 180 payments, benefits do not continue to anyone else.

Note: If you elect either the 120 Certain Payments or 180 Certain Payments option, your benefit will be reduced to pay for the minimum number of payments. The amount of the reduction depends on your age when payments begin and the length of the minimum period.

Level Income Option – Early Retirement and Deferred Pensions Only

If you start receiving your pension before age 65 and you choose the Level Income Option, you will receive a higher monthly benefit from the Plan from the date you retire until age 65, when your Old Age Security(OAS) basic benefit is payable from the Federal Government. Once you begin receiving OAS benefit payments, your Plan benefit will be reduced. The sum of your re3duced Plan benefit and your OAS benefit will be approximately equal to the pension you were receiving before you became eligible for the OAS benefit.

The adjustment made to your early retirement pension or deferred pension is based on your age when payments begin and assumes you will receive the maximum amount of OAS benefit. If your actual OAS benefit when it becomes payable, is different from what was expected, no adjustment is made to your Level Income Option pension from this Plan on account of the difference.

Upon your death, your beneficiary is entitled to the excess amount, if any, of the 60 monthly payments you would have received had you not elected this option, minus the amount already paid to you as of your date of death. If there is an excess amount remaining at the time of your death, your beneficiary will receive the monthly pension you were receiving at the time of your death until the total payments made to your beneficiary are equal to the excess amount.

Note: The benefits from this Plan are independent of benefits provided under the Old Age Security Act. If you elect this option and you do not qualify for or do not apply for the OAS benefit, or the OAS benefit is changed, reduced, or cancelled, the Fund and the Trustees are not responsible for the payment of the OAS benefit.

What Happens if Return to Work after I Retire?

If you return to work for a contributing employer after you retire, your pension benefit will suspended for each month you are employed. While you are working, you earn additional pension credit through to the end of the calendar year in which you reach age 71. When you retire again, your pension will be recalculated based on your age, these additional credits, and the number of months during which you have already received benefit payments.

When will my Pension Benefit begin?

Your pension benefit will begin the first of the month after your completed application has been received by the Fund Office, providing you meet all the eligibility requirements.

Note: A disability pension will start in your seventh month of a qualifying disability, providing your application has been filed within 60 days after your date of disability , your pension will star the month in your seventh month of disability o the fourth month following receipt of your application by the Fund Office, whichever is later.

How is my Pension Benefit Paid?

You will receive your pension in the form of equal monthly payments. However, if your pension is less than the minimum level set by the applicable federal or provincial pension law, you may receive the commuted vale of your pension in a single cash payment in lieu of the monthly payment, subject to appropriate tax withholding:

Ontario and Federal Participants: If your annual pension is less than 2% (Ontario) or 4% (Federal) of the YMPE, the Trustees may pay you a single cash payment.

Newfoundland Participants: If your annual pension is less than 4% of the YMPE, or if the commuted vale of your pension is less than 10% of the YMPE, the Trustees may pay you a single cash payment.

Alberta and British Columbia Participants: Your spouse may waive the right to pre-retirement survivor pension benefit by submitting a signed waiver form to the Fund Office.

Death Benefits Before You Retire

How is my Spouse Protected if I Die Before I Retire?

The Plan provides financial protection for your surviving spouse if you are vested and die before you retire. Your spouse will receive for his/her lifetime, a monthly pre-retirement survivor pension that has a lump sum value equal to the commuted value of your benefit accrued to the date of your death. Where provincial legislation permits, your spouse may elect the portability option (see pag 21) or a single cash payment instead of this survivor pension:

Alberta, British Columbia, Newfoundland and Federal Participants: Instead of this monthly survivor pension, our surviving spouse may elect the portability option (see pag 21).

Ontario Participants: Instead of this monthly survivor pension, your surviving spouse may elect to receive the commuted vale in a single cash payment, subject to appropriate tax withholding.

Alberta, British Columbia and Ontario Participants: Your spouse may waive the right to a pre-retirement survivor pension benefit at any time before payment of the benefit by submitting a signed waiver form to the Fund Office.

What happens if do not have a Surviving Spouse?

If you do not have an eligible spouse, the commuted value of your benefit as the date of your death will be paid to your beneficiary, or if you have not designated a beneficiary, to your estate.

Naming a Beneficiary

You may name one or more persons as your beneficiary to receive any death benefit other that the spouse's pre-retirement survivor pension or post-retirement joint and survivor pension. To name a beneficiary, you must complete a beneficiary form approved by the Trustees. You can obtain a copy of this by contacting the Fund Office.

If you do not have a spouse or if your spouse waived the right to the survivor pension, you should consider naming a beneficiary. If you do not name a beneficiary, any death benefits will be paid to your estate, which is subject to probate fees and creditors. If you name a beneficiary, the Plan can pay the benefit directly to your beneficiary.

You can name anyone you want as a beneficiary. If you name a minor as a beneficiary, you should consider appointing a trustee to look after the child's benefits. A lawyer can advise you on how to appoint a trustee. If a trustee is appointed, be sure to provide information about the trustee on your beneficiary form.

Alberta Participants: To be valid, your beneficiary designation must be in accordance with Section 47 of the Alberta Trustee Act. Contact the Fund Office for further details.

Termination of Participation

What happens if stop participating in the Plan?

Alberta and British Columbia Participants: Your Plan participation terminates if your hours of work in covered employment fall below a total of 350 hours in two consecutive years.

All Other Participants: Your Plan participation terminates at the end of a period of 12 consecutive months during which no contributions were made to the Plan on your behalf.

What happens to my Pension Credits?

If you do not have vested status when you terminate participation, your pension credits will be cancelled.

If you are vested when you terminate participation, you will be entitled to a deferred pension as explained on pages 11 and 15.

If you are vested and under age 55 when you terminate participation, instead of a deferred pension, you may elect the portability option described below.

Portability Option

This option allows you to transfer the commuted value of your pension to:

- a locked-in registered retirement savings plan or a locked-in retirement account,
- the pension plan of a new employer, if that plan permits such a transfer, or
- purchase an immediate or deferred annuity.

If you choose the portability option, you will not be entitled to any further benefits for your participation before the transfer. If you later return to covered employment, you will be treated as a new employee and must earn at least 12 months of future service credit to become a participant again.

If you do **not** choose the portability option and you later return to covered employment, you will become a participant again after completing only one month of future service credit and previous participation will continue to be include in your pension credit calculation.

When you terminate your participation in the Plan, the rules of the Plan as they existed on the date you terminated your employment with your las contributing employer will be used to determine your benefit.

Federal Participants: If the commuted value of your annual pension is less than 20% of the (YMPE) the Trustees may require that it be transferred to one of the financial arrangements described above.

Different options apply to participants or former participants who are no longer considered to be residents of Canada for income tax purposes. For more details, contact the Fund Office.

Applications

How do I apply for a Pension?

You must apply for a pension in writing at least one month before you plan to retire. Pension application forms are available from the Fund Office. You will be asked to provide proof of age and marital status.

Note: An application for a disability pension should be filed within 60 days of the date of your disability. You are urged to file your application within the 60-day period – otherwise, the start date of your disability pension may be delayed.

How does my Spouse or Beneficiary apply for a Survivor Pension or Death Benefit?

Your spouse or beneficiary should contact the Fund Office in writing as soon as possible after your death and submit a copy of your death certificate. He or she will be notified by the Fund Office if additional information is needed.

Other Information

Can I assign my Pension Benefit?

No, The Plan prohibits the assignment, sale, transfer, attachment or garnishment of your pension benefit to anyone or anything else, except as specifically required by applicable law (e.g., in the case of a legal decree on marriage breakdown).

Can I receive more than one Pension from the Plan?

No. Under this Plan, you are entitled to receive only one type of pension.

The only exception to this rule is a disability pensioner who recovers and returns and returns o work. If this occurs, he or she **may** be eligible to receive another type of pension from the Plan.

If you, as a pensioner, are the surviving spouse or beneficiary of a deceased pensioner, then you may collect both pensions at the same time.

Will the Benefits provided under this Plan affect my Government Benefits in any way?

No. The benefits provided under this Plan are in addition to any Canada /Quebec Pension Plan or Old Age Security benefits for which you may be eligible.

Are my Pension Benefits Taxable?

Pension benefits received from the Plan are taxable as income when received. The amount of tax depends on your total taxable income from all sources. You may elect to have no income tax withheld on your monthly pension payment, and pay estimated quarterly installments of income tax instead.

Will the Benefits provided under this Plan affect my RRSP Contribution Room?

Yes. Contributions made by your employer to the Plan result in a pension adjustment (PA) that affects how much you can contribute to a Registered Retirement Savings Plan (RRSP). Your RRSP contribution room in a given year is reduced by the amount of your PA for the prior year.

The T4 slip you receive after the end of each calendar year shows the PA along with your employment income for tax purposes. Your RRSP contribution room is shown on the Notice of Assessment you receive after you file your income tax return.

What if I get a Divorce, Annulment or Separation?

If you get a divorce, annulment or separation the allocation of your pension benefit will be subject to the applicable provincial/federal pension and provincial family laws.

If your ex-spouse is entitled to any portion of your benefit, the benefit to which you, your current spouse or beneficiary is entitled will be adjusted accordingly.

What happens if I get a Terminal Illness?

If you become terminally ill and your doctor certifies that you are likely to live less than 2 years due to illness or physical disability, you may be able to apply for the value of your pension to pay in a single cash payment instead of a monthly pension.

To qualify, you must complete, an application form and supply written certification from a qualified medical doctor. If you have an eligible spouse, you must also submit the written agreement of your spouse.

Eligibility for this provision varies according to the province in which you live and whether your employment is governed by provincial or federal pension law. For more detail, contact the Fund Office.

How will I know what my Benefits are under this Plan?

If you have earned at least one month of pension credit in a year, the Fund Office will send you a statement within 6 months after the end of that year. The statement will show the benefits accumulated for you under the Plan, as well as your Plan status.

To ensure that your records are accurate and up-to-date, advise the Fund Office of any changes in your marital status and mailing address.

What happens if the Plan is Terminated?

It is the intention of the Board of Trustees to continue this Plan in to the foreseeable future. However, in the unlikely event that this Plan is wound up and there are not enough assets to meet the Plan’s liabilities, pension benefits may be reduced. On the other hand, if there are more than enough assets to meet the Plan’s liabilities, the excess will be applied to enhance benefits in accordance with the rules of this Plan, subject to the applicable federal and provincial laws.

For more information

For more information about the Plan and your pension, please contact the Fund Office.

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

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