Ironworkers Pension Plan Local 97

Plan Summary

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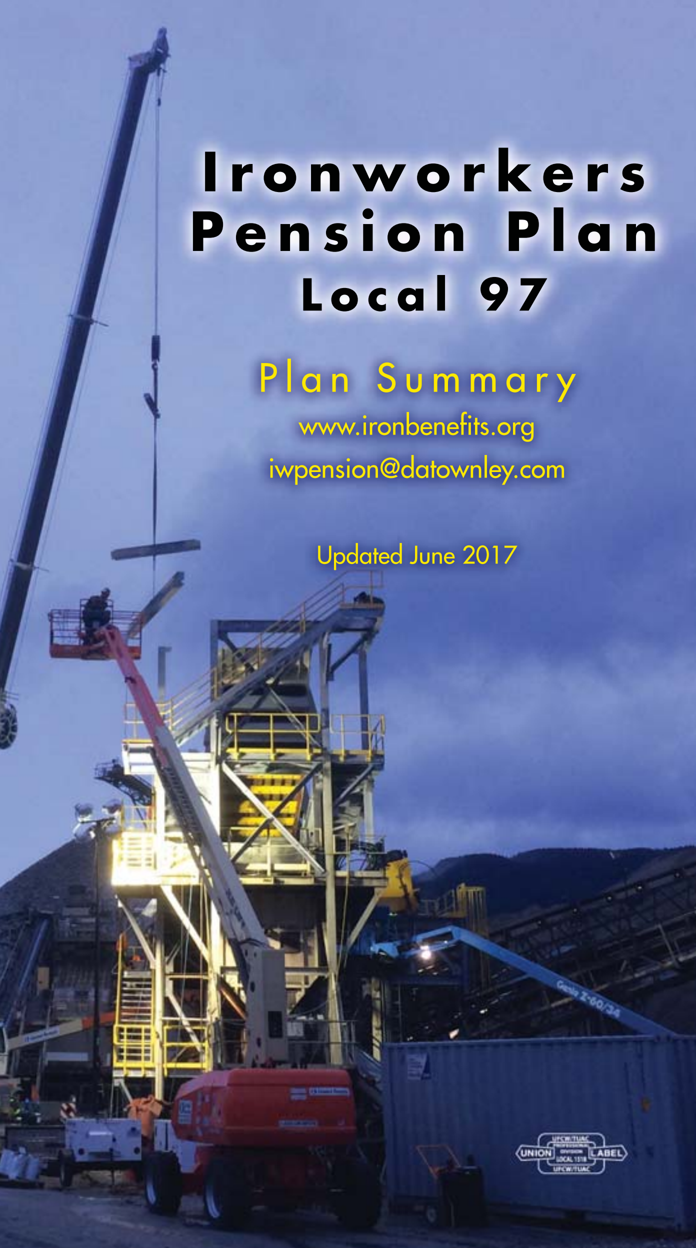

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To: All Members of Ironworkers Local 97

The Ironworkers Pension Plan, Local 97 (called "the plan" in this booklet) has been providing pensions to members of the Ironworkers Local 97 since August 1, 1968. It is a negotiated cost multi-employer plan, which means that many employers contribute to the pension plan at rates stipulated in collective agreements with Ironworkers Local 97. It is also a target benefit pension plan, which means that members get pensions for life and other protection under the plan. Please see the section "How does the plan work?" and the rest of this booklet for a full explanation.

MEMBERSHIP IN THE PLAN

You are eligible to join the plan as soon as you have worked 700 hours. You must complete and return an enrolment form to the administrator.

Your responsibilities

Once you join the plan, you are responsible for ensuring that your information is up-to-date. Important pension information will be sent to you, even after you stop work. Please ensure your current address, telephone number, beneficiary, and e-mail address are on file with the plan administrator. Email iwpension@datownley.com or call 1-800-663-1356 to update your contact information.

Each year you will receive a statement of your benefits under the plan. You should review this statement to verify that your employer has made contributions that are correct based on your hours of work. Also, confirm your beneficiary, date of birth, and address are correct. You must inform the administrator if there are any discrepancies or errors in your statement of benefits.

Your annual statements are important financial documents; ***please keep them each year***.

Stay informed

Your pension may form an important part of your retirement strategy. We encourage you to take the time to read this booklet and develop an understanding of your pension plan.

Designate a beneficiary

When you enrol with the plan, you will need to complete a beneficiary designation form. If you do not have a spouse, your beneficiary will receive any pension benefits payable if you die before retirement.

Once you choose a beneficiary, please provide your beneficiary with the contact information of the plan administrator.

If you have a spouse, pension law states that your spouse must receive any benefits payable from the plan upon your death, unless she has signed a waiver. Naming another individual as your beneficiary does not override your spouse as beneficiary. However, your spouse may waive the right to a spousal benefit by completing a Spousal Waiver Form.

If you don't have a spouse, or your spouse has completed the waiver, you may designate anyone as your beneficiary.

Please note that you must also appoint a trustee for any beneficiary you designate who is under the age of 19.

Definition of "spouse"

In certain circumstances, a member may be unclear as to who qualifies as their spouse. Your spouse for the purposes of this plan is:

- the person you married, unless you have been living separate and apart for a continuous period longer than two years; or
- a person who has been living with you in a marriage-like relationship for a period of at least two years.

For further details on when a common-law partner is considered a spouse, please contact the plan administrator.

Your rights

Read this booklet to learn more about the rights of members of this plan. In addition, plan members and the sponsoring union have the right to see the following plan documents:

- Actuarial valuations
- Annual information returns
- Audited financial statements
- Plan text and amendments
- Governance policies including the benefits & funding policy
- Plan summary (this booklet)
- Statement of Investment Policies and Procedures
- Trust agreement establishing this plan and any amendments to it
- Collective agreement provisions relating to your pension.

Former members of the plan have the right to see documents that apply to them that were in effect during the time period during which they earned benefits. As a plan member you also have the right to see the data and method used to calculate your benefit.

Employer responsibilities

Once participating employers sign collective agreements that require contributions be made to the plan, they must send contributions, as per the collective agreements, to the plan via the administrator. Participating employers also must supply information about hours worked, addresses, and any other member data required for calculations of pension benefits.

Employer rights

Employers that contribute to this plan have the right to see the above list of plan documents, although employers only have the right to see collective agreements to which they are signatory.

Union responsibilities

Local 97 of the International Association of Bridge Structural and Ornamental and Reinforcing Ironworkers (the union) is responsible for appointing the Trustees who run this pension plan. Those Trustees have full responsibility for all aspects of the plan.

Union rights

The union has the right to appoint any individual as Trustee in accordance with the union's bylaws, provided that person is a member of this pension plan. The union also has the right to see certain plan documents.

Pensions

There are four types of benefits provided by the plan.

- Pensions
- Disability benefits
- Pre-retirement death benefits
- Benefits on termination of membership in the plan.

When may I start my pension?

You may start pension payments from the plan any time after age 55. Canadian tax law states you must start a pension by the end of the calendar year in which you turn 71.

When am I eligible for an unreduced retirement benefit?

The pension described in the "Pension Calculation" section below is available to you when you reach age 65 if you have terminated vested status in the plan. If you have active status in the plan, the pension amount outlined by that formula is available from the first of the month on or after your 62nd birthday.

If you retire before the age mentioned above, your pension will be actuarially adjusted, which means your pension at your early retirement date will be reduced to reflect the additional payments you receive by starting your pension sooner. This reduction is approximately 0.55% for each month you retire before your unreduced retirement date (age 62 for actives and age 65 for terminated vested). For example, if you are terminated and you retire at age 60, your pension would be reduced by about 33%. If you retire early you will have fewer earned hours to add to your pension formula. Also you will collect a pension for more years, so to be equivalent the plan will pay a lower monthly pension than if you had retired at your unreduced retirement date.

Do I have to start my pension by 65?

No. The age at which you start your pension is entirely your decision. However, your pension must start before the end of the year in which you turn age 71. The plan does not require compulsory retirement but Canadian tax rules do not permit you to accrue pension credits beyond that time. If you remain employed in the industry after age 65, you will continue to earn pension benefits until you actually retire but not beyond the end of the year you turn 71.

When do my retirement benefits start?

Once your complete application has been received, your pension calculated, and your hours of work in the relevant periods have been confirmed, your retirement benefits will start on the first day of the next month.

If you qualify for a disability pension from this plan, the benefit will start once you become entitled to CPP disability benefits and once your long term disability payments from the Local 97 Ironworkers Health & Welfare Plan end.

When should I apply for my pension?

To give yourself enough time to review the optional forms of pension and complete the necessary forms, you must contact the administrator's office at least three months in advance of your retirement date to ensure that you receive your pension on your chosen date of retirement. Once you have received your forms, applications for retirement should be filled on a form available from the administrator's office at least one month in advance of the first of the month on which retirement benefits are expected to begin. For example, if you want to retire on December 1st, you should request your forms no later than September 1st and have your completed forms returned to the administrator's office before November 1st.

PENSION CALCULATION

Your pension is calculated by a formula, which can and has changed over time, based on the recommendations of the actuary and their assessment of the plan's affordability to pay benefits. The formula for calculating your accrued lifetime pension is:

1. A pension of $16.80 per month for each year of union membership up to August 1, 1968, if the member was a union member on that date.

plus

2. A pension of $28.50 per month for each 1,000 pensionable hours credited for contributions made to the plan in the period August 1, 1968 to December 31, 1988.

plus

3. A pension of $45.00 per month for each 1,000 hours credited from January 1, 1989 to December 31, 1991.

plus

4. A pension of $60.00 per month for each 1,000 hours credited after January 1, 1992 and up to December 31, 1995.

plus

5. A pension of 1.71% of the contributions received in respect of the hours credited from January 1, 1996 up to December 31, 2004.

plus

6. A pension of $75.00 per month for each 1,000 hours credited from January 1, 2005 to April 30, 2009.

plus

7. A pension of $65.00 per month for each 1,000 hours credited after May 1, 2009.

In addition the Trustees approved ad hoc 4% increases in 1996 and 1998.

Pension calculation examples

The examples on the following pages are provided for illustrative purposes only. The actual pension amounts depend on the option selected and the age of the member when the pension starts and certain assumptions in effect at the date of calculation. Contact D.A. Townley for the specifics of your pension.

Newer member:
Frank joined the union in 2005

Frank worked 8,000 hours at the standard rate from January 1, 2005 to April 30, 2009, and he worked 12,000 hours at the standard rate from May 1, 2009 up to his retirement date.

His total accrued pension is:

8,000 divided by 1,000 and multiplied by $75.00	$600
12,000 divided by 1,000 and multiplied by $65.00	$780
Total Accrued Pension	**$1,380**

Frank will receive $1,380 per month for his lifetime. If he chooses a different form of pension, the monthly payment will be adjusted to be equivalent.

Long service:
John joined the union in 1980

John retired on March 1, 2017 at age 65.

1. For the period of August 1, 1980 to December 31, 1988 he was credited with 26,000 hours worked at the standard rate;

2. He had 4,000 hours in the period January 1, 1989 to December 31, 1991;

3. He had 2,500 hours from January 1, 1992 to December 31, 1995;

4. He had $4,000 of contributions from January 1, 1996 to December 31, 2004;

5. He had 2,000 hours worked at the standard rate from January 1, 2005 to April 30, 2009; and

6. He had 2,400 hours worked at the standard rate from May 1, 2009 up to his retirement date.

His pension would be calculated as follows:

26,000 divided by 1,000 and multiplied by $28.50	$741.00
4,000 divided by 1,000 and multiplied by $45.00	$180.00
2,500 divided by 1,000 and multiplied by $60.00	$150.00
$4,000 multiplied by 1.71%	$ 68.40
2,000 divided by 1,000 and multiplied by $75.00	$150.00
2,400 divided by 1,000 and multiplied by $65.00	$156.00
Total Monthly Lifetime Pension	**$1,445.40**

He will receive $1,445.40 per month for his lifetime. If he chooses a different form of pension, the monthly payment will be adjusted to be equivalent.

Will my spouse get a pension?

Your pension is payable for your lifetime. If you have a spouse, you will be given "joint life and last survivor" options that have payments continue to your spouse, should you predecease him/her. You may choose to have your pension continue to your spouse at 50%, 60%, 75%, or 100% of the lifetime pension you received at retirement, following your selection of your pension option. The amount of pension with each option is determined by your age and the age of your spouse at the time of your retirement. Pension legislation dictates that you must select an option that provides a pension of at least 60% continuing to your spouse upon your death. If you choose an option that provides less than 60% of your pension to your spouse, your spouse should seek independent legal advice to inform him/her of their rights, and he/she must sign a "Spousal Waiver" form waiving their rights to your pension.

If you do not have a spouse you will have the option at retirement of choosing a pension form that ranges from one that ceases on your death to ones that have a guarantee period of 5, 10 or 15 years. If you choose a pension with a guarantee period and die before the guarantee period expires, payments will continue to your designated beneficiary for the rest of that guarantee period.

Example of your pension guarantee options

Joe is 62 and has earned a monthly pension of $2,000 based on the plan formula, which he will receive if he chooses a lifetime pension. The pension is not reduced for retiring before 65 because Joe is an active member. Those who have "active" status in the plan receive a pension based on the formula above, without reduction, once they are age 62 or older.

His other options are shown below. His spouse is 59. (The relative values may change for you as they depend on your age and your spouse's age and the assumptions in effect at the time of calculation.)

Life with a 5-year guarantee	$1,982
Life with a 10-year guarantee	$1,938
Life with a 15-year guarantee	$1,877
Joint and Survivor 60%*	$1,765
Joint and Survivor 75%	$1,715
Joint and Survivor 100%	$1,637

**For a joint and survivor 60% pension, you receive a lifetime pension and if your spouse outlives you, payments of 60% of the amount you were receiving continue to your spouse.*

He may choose the first three options only if his spouse signs a waiver since pension law mandates that he choose a form where the pension continues to his spouse in an amount of at least 60% of his pension unless his spouse waives that right.

Coordinating with the Canada Pension Plan and Old Age Security

If you start a pension from this plan before 65, then when payments from government retirement programs (CPP and OAS) start at age 65, your income may increase. To help level out your retirement income, you can ask us about a level income option. Under this option, it is as if you borrow from your future pension in the plan. You may take a larger amount until 65, and then your pension from the plan would reduce at age 65 when your government benefits begin, so that your income from all sources is more or less level throughout your retirement years.

The examples provided are for illustrative purposes only. The actual amount payable depends on your age at retirement as well as CPP and OAS rates in effect at the time and whether you qualify to receive the maximum CPP benefit.

Example of Integration with the Canada Pension Plan and Old Age Security:

The maximum monthly government benefit levels at January 1, 2017 are:

Canada Pension Plan	$1,114.17
Old Age Security	$578.53
TOTAL per month	$1,692.70

An active single member retires at age 60 on January 1, 2017 and his benefit from the pension plan after the early retirement reduction is $2,000.00 per month. He could elect to receive:

$3,307 per month from the plan from age 60 to 65, reducing to $1,614 per month from the plan from age 65 onwards, when his government benefits begin. This reduced amount when added to the CPP and OAS amount of $1,693, will produce a total retirement income of $3,307 after age 65 if he qualifies for full CPP and OAS.

How can I learn more about government-provided pensions?

Call Service Canada at 1-800-277-9914 or you can obtain the information on-line via their web site. If you would like further information on your Old Age Security (OAS) benefits, please visit: canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html

If you would like further information on your Canada Pension Plan (CPP) benefits, please visit: canada.ca/en/services/benefits/publicpensions/cpp.html

SOURCES OF RETIREMENT INCOME

This pension plan is one of several sources of retirement income. You may have other savings. Also, you will likely qualify for Canada Pension Plan (CPP) and Old Age Security payments. The average payment from the Canada Pension Plan in October 2016 was $644/month. The maximum monthly CPP in 2017 is $1,114.17, but most retirees receive less than that, because they did not contribute the maximum amount in years where their earnings were lower. Pension payments from the CPP increase each year based on the amount of increase in the cost of living, which protects retirees in times of high inflation.

Canadians may start Canada Pension Plan payments as early as age 60, but the monthly payment will be larger if you delay starting CPP payments. Once you reach age 70, there is no financial advantage in delaying as the payments do not increase after that. An individual who starts receiving their retirement pension at age 70 will receive 42% more per year than if they had taken it at 65.

For more information, call Service Canada at 1-800-277-9914 or see esdc.gc.ca/en/cpp/benefit_amount.page

In addition to the Canada Pension Plan, those who have lived in Canada for at least 10 years may receive Old Age Security (OAS) payments from age 65. In March 2017, the maximum OAS payment was $578/month. If you earn more than $74,000 while retired, you will be required to repay some of your OAS.

DISABILITY PENSION

If you are under 65 and have been totally and permanently disabled for at least six months, you may be eligible to retire immediately and receive 60% of your accrued pension. Please contact the administrator as soon as you become disabled. To be classified as "totally and permanently disabled" you must provide medical evidence of your disability to the Trustees, and you must be eligible for Canada Pension Plan disability benefits.

You are not eligible to receive a disability pension from this plan while you are receiving long-term disability benefits from the Ironworkers Local 97 Health & Welfare Plan. Most members start their disability pension once their long-term disability benefits run out.

SHORTENED LIFE EXPECTANCY

If a physician has certified that you have an illness or disability that will shorten your life considerably, and you have not yet started your pension, you may withdraw your benefit in a lump sum or in a series of payments, the total of which is no more than the transfer value of your pension. The transfer value is the lump sum value of your accrued pension, multiplied by the funded ratio for the plan if the plan is not fully funded. If you are terminally ill, you may contact the plan administrator for further details.

DEATH BEFORE RETIREMENT

If you die before retirement and you have a spouse, he or she may receive an immediate pension for life equal to the greater of 75% of the pension you earned to the date of death or the monthly pension that can be provided from the lump sum value of the pension earned to your date of death. If your spouse waives the right to this pension, by signing a waiver form, or if you do not have a spouse, your beneficiary will receive a taxable lump sum equal to the transfer value of the benefit earned to your date of death. The transfer value is the lump sum value of your earned pension, multiplied by the funded ratio for the plan if the plan is not fully funded. If you do not have a spouse or a beneficiary on file, the death benefit will be paid to your estate. Please keep your beneficiary information up-to-date, as the Trustees must pay the death benefit to your most recently named beneficiary if you do not have a spouse. To update your beneficiary, contact the administrator for the appropriate form.

TERMINATION

If you work less than a total of 200 hours in a 2-year period, your status in the plan changes from active to terminated, which simply means you have the option to transfer you pension benefit from the plan. You may leave your benefit in the plan and start a pension from the plan at any time after age 55. Alternatively, if you are under age 55, you may transfer the lump-sum transfer value of your benefit to a locked-in retirement vehicle. The transfer value is the lump sum value of your earned pension, multiplied by the funded ratio for the plan if the plan is not fully funded.

If you have terminated from the plan, you may still have plan benefits. Be sure to notify the administrator of any address changes so that you may be kept informed. We cannot pay your pension if we cannot find you!

Your termination benefit is calculated in the same way as your retirement benefit, but may also be converted into a lump sum. After you become terminated from the plan, if your current address is on file, you will receive a termination package from the administrator. It will contain a statement of your termination entitlements as well as a Benefit Options Form for you to make your selection.

If you are entitled to receive payments from the plan, either on retirement or on termination of membership, and have reached age 55, you are required to take a pension from the plan – the lump sum transfer option is not available to you.

MARRIAGE BREAKDOWN

Spouses of plan members have enforceable legal rights to a share in the benefits of the plan. The division of pension assets is not automatic after separation. If spouses do not wish to split the pension, they can choose to make different arrangements through agreement. For instance, in a separation or divorce agreement one spouse may give up a claim to a pension in exchange for other assets.

Pension plans must follow provincial property laws as well as pension regulations when a plan member or former spouse requests a division of pension benefits. Once a former spouse files the appropriate forms, the plan administrator also must provide a former spouse with a written statement that outlines the transfer options that are available to him or her, if any.

Should you find yourself in this situation, it is strongly recommended that you get legal advice. The plan will charge you and/or your spouse reasonable costs for complying with the separation or divorce agreement, a copy of which must be filed with the plan.

HOW DOES THE PLAN WORK?

Your employers contribute into the plan a set amount for each hour you work. Those contributions are invested, together with all other contributions, in a mix of assets chosen by professional investment managers under the direction of the Trustees. Contributions and investment income are not subject to income tax. Expenses are shared and are lower than in smaller plans or RRSPs, largely because you pay lower investment management fees. Members receive a lifetime pension, in an amount calculated based on the number of hours you worked in each year. When a member starts withdrawing benefits, income from the plan then is taxed.

The plan is governed by a board of four Trustees – all of whom are appointed by the union. The Trustees have appointed the following service providers to assist in the operation of the plan:

The actuary (currently George & Bell Consulting) reviews the level of benefits that can be provided given the negotiated contributions, makes periodic estimates of pension fund surpluses and deficits, and provides advice to the Trustees.

The administrator keeps records of service and contributions, answers member questions, and calculates pensions.

The auditor (currently MNP LLP) conducts an independent annual audit of the plan's financial statements.

The custodian holds the pension assets and invests them, following instructions from the investment managers. All contributions are held in a trust fund by the custodian, and all pensions and benefits are paid from that fund by the custodian.

INVESTMENTS

Contributions received by the administrator are deposited to a trust fund held by the custodian. The funds are then invested. Several investment managers have been hired to make investment decisions within guidelines set by the Trustees. Current investment managers are Leith Wheeler Investment Counsel, Connor, Clark & Lunn Investment Management, Manulife, Pier 21, RBC Global Asset Management Inc, IFM Investors and Concert Real Estate Corporation. The Trustees regularly conduct a thorough review of investments and managers to ensure their investment goals for the plan are met. Updates about asset mix and the investment managers are found in the newsletter sent to members each June with the annual pension statement.

The investment managers have flexibility in choosing investments, as long as they are within guidelines established in the Statement of Investment Policies and Procedures (SIPP). These guidelines establish a rate of return performance target for each manager and the percentage of the total fund that can be invested in the different assets classes, including Canadian and global stocks, bonds and real estate. The Trustees regularly review the results achieved by the professional investment managers and occasionally may make changes. Each year, if we have your address we will send you a newsletter that explains the current investment mix.

EXPENSES

There are certain operational expenses associated with the plan. The largest fees are paid to the custodian and investment managers, but other fees include those of the auditor, actuary, plan lawyer, administrator, and pension regulator. Members are sent a newsletter each year that summarizes cash flows for the prior year. Details of plan expenses can be found in the plan's annual audited financial statements, a copy of which is held at the office of the administrator.

FUNDING

This pension plan is funded by contributions that are made to the plan. The contribution levels are fixed by the applicable Collective Agreement that is in place. At least once every 3 years, B.C. pension law requires that a plan valuation must be performed by an actuary. The actuary examines the plan to determine if, at the valuation date, the assets and future contributions are sufficient to pay for the cost of members' benefits (the "liabilities"). If there is a difference between the assets and liabilities of the plan, the Trustees may have to consider changes to the plan to address the imbalance. These changes can include increases or decreases to future benefit rates or the members' benefits that are accrued under the plan. If contributions are insufficient to fund plan benefits, and it is not possible to increase contributions sufficiently to cover the shortfall, the Trustees are required under B.C. pension legislation to reduce benefits to stabilize the plan's funded status. This is an unlikely event for this plan, since the actuary has estimated that the contributions are large enough to fund the benefits, and continues to monitor this.

PLAN CHANGES

The Trustees are permitted to change the plan, although no assets of the plan may be diverted to purposes other than for the benefit of plan members, their eligible spouses, and other beneficiaries. You will be notified of any significant changes that are made. The plan may be terminated if there is no longer any collective agreement in force between the union and an employer that calls for contributions to the plan. All members automatically become vested on plan termination, and the plan text sets out the order in which benefits would be paid out from the plan.

PRIVACY

The Trustees are committed to protecting your personal information. The Trustees are subject to applicable privacy legislation and have adopted a privacy policy that reflects their obligations. The privacy policy governs the way the Trustees collect, use, disclose and secure information about members. It also sets out your entitlement to access the information on file about you in order to correct or update it. Information may be held on the Trustees' behalf by the plan administrator, or other service providers that the Trustees may appoint. If you have a privacy-related query or complaint, please contact the plan's privacy officer at the office of the plan administrator.

NOTES

This booklet reflects a summary of the rules that were in place at the date shown on the cover. To learn more about how the plan has been amended since, and which benefits apply to you, please contact the third party plan administrator, D.A. Townley.

This booklet is a summary of those parts of the pension plan that most often attract questions. If you would like further detail, there is a complete plan text and a trust agreement which contain all of the provisions of the plan. You may view a copy of these and several other plan documents by contacting D.A. Townley. If there is any omission in this booklet or a conflict between this booklet and the wording in the plan text and trust agreement, the plan text and trust agreement will prevail.

The provisions of the plan may be amended from time to time, although no amendment can be made that would allow for any part of the pension trust fund to be diverted to purposes other than for the exclusive benefit of plan members, their eligible spouses and other beneficiaries.

This pension plan has been registered with the Canada Revenue Agency (registration #0546861) and has plan number P085460 with the Financial Institutions Commission of British Columbia, the provincial government agency that administers and enforces the Pension Benefits Standards Act (PBSA). Please contact the Trustees care of the administrator.

Questions?
We are here to help!

D.A. Townley

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JLG