

**PENSION PLAN BOOKLET
FOR MEMBERS OF

THE EDMONTON PIPE INDUSTRY
PENSION PLAN**



Plan Registration No. 0546028

AS AT JANUARY 1, 2016

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MISSION STATEMENT

The “Mission Statement” of The Edmonton Pipe Industry Pension Plan includes:

- **Contributing to the well being of the Plan Members by providing reasonable pension benefits based on the financial resources available from The Edmonton Pipe Industry Pension Trust Fund.**
- **Providing high quality service to the Members and Employers in an effective and efficient manner.**
- **Ensuring good governance of the Pension Trust Fund including the prudent investment of assets and cost effective management.**

GENERAL INFORMATION

Pension plans in Canada are regulated by Provincial and/or Federal legislation. Legislation and regulations are set in place to protect plan member's rights and their benefits earned, encourage savings, set limits of tax deductibility, establish appropriate funding controls and to provide clarity to all issues surrounding pension benefits in Canada.

The Edmonton Pipe Industry Pension Plan ("the Plan") is registered with Alberta Treasury Board and Finance and Canada Revenue Agency. The Plan's Registration number is 0546028. This Plan is governed under the terms of the Alberta *Employment Pension Plans Act*, and the *Income Tax Act, Canada*.

The Alberta *Employment Pension Plans Act* establishes minimum standards for such things as eligibility, membership, vesting, locking-in, death benefits, inflation protection, surplus issues, disclosure requirements and minimum funding guidelines. The *Income Tax Act* sets out registration requirements, maximum benefit levels which can be earned under a pension plan, actuarial certification in respect of plan funding, tax-deductibility for contributions and the maximum transfer value of benefits between registered retirement vehicles.

In Canada, there are two common types of pension plans – a Defined Benefit Plan and a Defined Contribution Plan. This *Plan* is a Defined Benefit Plan.

In a Defined Benefit Plan all of the contributions made on behalf of plan members are paid into one account. Each plan member's pension is calculated using the plan's benefit formula.

ESTABLISHMENT OF THE PLAN

The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local 488 ("the Union") and those participating Employers ("the Party Employers") who were signatories to a collective agreement dated May 1, 1965 with the Union entered into an Agreement and Declaration of Trust dated October 1, 1968. The purpose of the Agreement was to provide for the establishment, maintenance, administration and investment of a trust fund known as The Edmonton Pipe Industry Pension Trust Fund ("the *Fund*"). The establishment of the Fund allows for the provision of *Retirement Benefits* under The Edmonton Pipe Industry Pension Plan ("the *Plan*"), and provides for the orderly payment of all contributions into the *Fund* and for proper and efficient administration of the *Plan*.

INTRODUCTION

Financial security is a concern for most people. Maintaining financial security can become even more of a concern when considering retirement. The *Plan* will help in providing retirement security for you and your family following your employment in the plumbing and pipefitting trades. The *Plan*, together with any benefits you may be entitled to from government plans and your personal savings, will assist you in continuing the standard of living you enjoyed prior to your retirement.

The main objective of a pension plan is to pay a lifetime pension benefit to its members and, as required by pension legislation, to their surviving *spouses*. The key to meeting this objective is to accumulate and invest the contributions made during a member's employment in order to build up assets sufficient to pay out a lifetime pension benefit during the member's retirement. This *Plan* is funded solely by contributions from *Employers* who are parties to *Collective Agreements* in which provision is made for contributions to the *Fund*. This means that planning and preparation for your retirement actually begins on your first day of employment with an *Employer* who is required by a *Collective Agreement* to pay a specified amount of contributions to the *Fund* on your behalf.

The contributions are then invested, free of income tax, by professional investment managers retained by the *Fund*. The goal is to obtain the best possible rate of return under a prudent investment policy which will in turn provide you a lifetime monthly *Retirement Benefit*.

The *Plan* has been specifically designed to provide:

- Protection if you become disabled and cannot work
- Early *Retirement Benefits*
- A monthly *Retirement Benefit* payable for your lifetime
- Survivor benefits payable upon your death.

Federal or Provincial legislation and the *Plan's* funding requirements may require the *Board of Trustees* to make changes to the *Plan's* provisions as deemed appropriate. The *Board of Trustees* must conform to any legislation affecting this *Plan* and keep the *Plan* properly funded. The *Board of Trustees* reserves the right to amend the *Plan* as and when necessary.

This booklet has been prepared to provide you with a description of the *Plan* benefits which are available to you and your family. We urge you to read the booklet carefully. Any time that you have questions or concerns regarding your entitlement from the *Plan*, you should contact the administration office where a staff member will be able to assist you.

DEFINITIONS

There are a number of important terms used in this booklet which have specific meanings. These terms have been italicized so that you will easily recognize them. Each of these words has been defined for you in order that you will be able to better understand the *Plan's* provisions.

Actuary shall mean a person or firm retained by the *Board of Trustees* who is, or one of whose employees is a Fellow of the Canadian Institute of Actuaries.

Actuarial Equivalent shall mean a pension of an equivalent value determined using actuarial tables and other methods and assumptions adopted by the *Board of Trustees* on the recommendation of the *Actuary* for the purposes of the *Plan*, subject to any requirements of the *Alberta Employment Pension Plans Act* and the *Income Tax Act*.

Beneficiary shall mean a person who is receiving, or entitled to receive benefits, under this *Plan* (other than a pension for his/her retirement) because of his/her designation for such benefits by a *Plan Member* or a *Retired Plan Member*.

Board of Trustees shall mean the *Board of Trustees* of The Edmonton Pipe Industry Pension Trust Fund, whose duties shall be that of the administration of the *Plan* and the *Trust*, and whose members shall be appointed pursuant to the applicable provisions of the *Trust Agreement*.

Collective Agreement shall mean the Registered *Collective Agreement* between Construction Labour Relations – An Alberta Association Mechanical (Provincial) Trade Division and the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, AFL-CIO, CFL, Local *Union #488*, Edmonton, Alberta and Local *Union #496* Calgary, Alberta, as amended or replaced from time to time.

Collectively Bargained Multi-Employer Pension Plan (CBMEPP) shall mean a multi-employer pension plan established through a collective agreement. This typically is a pension plan for members of a trade that is administered by a Board of Trustees. This Plan has been designated a CBMEPP by Alberta Treasury Board and Finance. A CBMEPP is also known as a Specified Multi-Employer Pension Plan (SMEPP) under the *Income Tax Act*.

Commutated Value shall mean, in relation to benefits that a person has a present or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits computed using rates of interest, the actuarial tables and other assumptions that are adopted by the *Board of Trustees* on the recommendation of the *Actuary* for purposes of the *Plan*, subject to any requirements of the *Alberta Employment Pension Plans Act* and the *Income Tax Act*.

Covered Hours of Employment shall mean the number of compensable hours, determined by dividing the contributions received from an *Employer* on a *Plan Member's* behalf by the *Standard Contribution Rate* for the period.

Credited Interest shall mean the investment income allocated to a *Defined Contribution Member Account*.

Credited Membership Service of a *Plan Member* shall mean the period for which the *Plan Member* has *Covered Hours of Employment* and which commences on the later of:

- (a) October 1, 1968; and
- (b) The earlier of:
 - (i) the last date of initiation, re-initiation, reinstatement after a withdrawal, or a transfer to the *Union* as a *Plan Member*; and
 - (ii) the beginning date of a *Plan Member's Period of Active Membership*.

Credited Past Service of a *Plan Member* shall mean the number of continuous years of membership in the *Union* prior to the *Effective Date of the Plan* and subsequent to the last date of initiation, re-initiation, or a transfer to the *Union*, except that if a *Plan Member's* membership in the *Union* terminated prior to July 1, 1957 because he was working under a clearance card, the aforesaid *Credited Past Service* shall be increased by the number of continuous months of membership in the *Union* subsequent to the last date of initiation, re-initiation, or transfer to the *Union* prior to the date of issuance of the said clearance card up to the date of issuance of the clearance card, provided, however, the *Credited Past Service* of a *Plan Member* shall be subject to the following express conditions and limitations:

- (a) To receive any consideration for *Credited Past Service*, an *Employee* must earn at least three hundred (300) *Covered Hours of Employment* during the first *Plan Year* commencing October 1, 1968.
- (b) No credit shall be given for partial or fractional years of membership in the *Union*. A full year of *Credited Past Service* shall be given for each multiple of twelve (12) months of membership in the *Union* as determined above.
- (c) The *Board of Trustees* may make such rules as it deems appropriate in order to recognize as *Credited Past Service* the period of covered employment of an *Employee* prior to October 1, 1968, and prior to the last date of initiation, re-initiation; such rules shall be applied in an even handed and consistent manner.

Credited Service shall mean the sum of your *Credited Membership Service* and *Credited Past Service*. A complete description of *Credited Membership Service* and *Credited Past Service* can be found in the Section "How Much Will My Pension Be?"

Defined Contribution (DC) Member shall mean a *Retired Plan Member* who returns to active employment with a participating *Employer* in respect of which contributions are required to be

remitted on his behalf. He shall be entitled to accumulate benefits on a defined contribution basis.

Defined Contribution (DC) Member Account shall mean an account held for a *DC Member*.

Effective Date of the Plan shall mean October 1, 1968.

Employee shall mean any person on whose account an *Employer* is, at the time of reference, making contributions to the *Fund*, or for whom an *Employer* previously did make such contributions and who is, at the time of reference, eligible for benefits to be provided by the *Plan* in accordance with the *Trust Agreement*.

Employer shall mean a person or organization, whether incorporated or not, who is or becomes bound by a collective bargaining or other agreement with the *Union*, which agreement provides for the *Employer* to make contributions to the *Fund* on behalf of *Employees*. “*Employer*” shall also include the *Union*, The Edmonton Pipe Industry Pension Trust Fund, The Edmonton Pipe Industry Health and Welfare Fund, the Edmonton Pipe Trades Education Trust Fund and any other Employer designated by the *Board of Trustees*.

Employment Pension Plans Act shall mean the *Employment Pension Plans Act*, Statutes of Alberta, S.A. 2012, c. E-8.1, and the Regulations thereunder, as amended or replaced from time to time.

Fund shall mean The Edmonton Pipe Industry Pension Trust Fund established to allow for the provision of *Retirement Benefits* under *The Edmonton Pipe Industry Pension Plan*. The *Fund* provides for the orderly payment of all contributions into the *Fund* and for proper and efficient administration of the *Plan*.

Income Tax Act shall mean the *Income Tax Act*, Canada Revised Statutes of Canada, 1985 chapter 1, Fifth Supplement, and the Regulations thereunder, as amended or replaced from time to time.

Normal Retirement Date of a *Plan Member* shall mean the first day of the month coinciding with, or next succeeding, the date the *Plan Member* attains sixty-five (65) years of age.

Participant Agreement shall mean an agreement in writing between the *Board of Trustees* and an *Employer*, which among other things, binds the *Employer* to such agreement and requires such employer to pay contributions to the *Fund*.

Period of Active Membership of a *Plan Member* shall mean the period commencing with the month in respect of which the *Fund* first receives contributions on the *Plan Member's* behalf and ending on the earliest occurrence of the *Plan Member's* retirement, termination of membership or death.

Plan shall mean The Edmonton Pipe Industry Pension Plan, created for *Employees* of those *Employers* who are subject to a *Collective Agreement* as well as those *Employees* who qualify under the eligibility clause.

Plan Member shall include:

- (a) any *Employee* who is eligible for coverage and benefits under the *Trust Agreement*;
- (b) any *Employee* who is entitled to benefits from the *Plan* pursuant to a *Reciprocal Agreement*;
- (c) after May 31, 1981 and before January 1, 1985, any *Employee* who is not a member of the *Union* but who is employed continuously (i.e., without interruption for any reason whatsoever, but subject to any exception made by the *Board of Trustees* in its discretion) within the scope of the *Collective Agreement* as either a permit worker or a potential member of the *Union* until he becomes a member of the *Union* (which must occur before his retirement) and whose application to the *Board of Trustees* (for coverage under the *Plan* in respect of hours worked before initiation into the *Union*) is approved;
- (d) after December 31, 1984 and before January 1, 2000, any *Employee* who is not a member of the *Union* but who is employed within the scope of the *Collective Agreement* as either a permit worker or a potential member of the *Union* until he becomes a member of the *Union* (which must occur before his retirement) and whose application to the *Board* (for coverage under the *Plan* in respect of hours worked before initiation into the *Union*) is approved;
- (e) after December 31, 1999, any *Employee* who is not a member of the *Union* but who is employed within the scope of the *Collective Agreement* as either a permit worker or a potential member of the *Union*;
- (f) any other *Employee* who is not a member of the *Union* but who belongs to an eligible class of *Employees* as designated by the *Board of Trustees* and on whose behalf an *Employer* has made contributions to the *Plan*; and
- (g) any other person who is eligible for coverage and benefits pursuant to any applicable federal or provincial pension legislation.

Plan Year shall mean the twelve month period from January 1 to the succeeding December 31. Effective October 1, 2010, Plan year was the fifteen month period from October 1, 2010 to December 31, 2011. Prior to October 1, 2010, Plan Year meant the twelve month period from October 1 to the succeeding September 30, the first day of the first Plan year being October 1, 1968.

Qualified Member shall mean the status of a *Plan Member* who, at the relevant time, has no less than five (5) years of continuous membership in the *Union*. Notwithstanding the foregoing, where a *Plan Member* was employed by either The Edmonton Pipe Industry Pension Trust Fund or The Edmonton Pipe Industry Health and Welfare Fund, and is not and has never been a member of the *Union*, such *Plan Member* shall be deemed to be a *Qualified Member*.

Reciprocal Agreement shall mean an agreement entered into between the *Board of Trustees* and:

- (a) the trustees of the pension trust fund and pension plan of another local union of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada;
- (b) the trustees of the pension trust fund and pension plan representing the members of another union; or
- (c) any other pension plan so designated by the *Board of Trustees*;

where such agreement provides for the transfer of either contributions or other sums equal to the Actuarial Equivalent of accrued benefits. Such agreements must comply with the requirements of both the *Income Tax Act* and the *Alberta Employment Pension Plans Act*.

Retired Plan Member shall mean a former *Plan Member* or a *Plan Member* who is receiving pension benefits under this *Plan*.

Retirement Benefit shall mean any payment provided in accordance with the *Plan's* provisions.

Separation Agreement shall mean, individually or collectively, a matrimonial property agreement or a matrimonial property order, such as defined in the Matrimonial Property Act (Alberta).

Spouse means, at the time a determination of marital status is required, a person who qualifies as a *Spouse* as defined by the *Income Tax Act* for the purposes of registered pension plans and the *Alberta Employment Pension Plans Act*, the person must be:

- (a) a person, who, at the relevant time, was married to the *Plan Member* and had not been living separate and apart from the *Plan Member* for three (3) or more consecutive years, or
- (b) if there is no person to whom paragraph (a) applies, a person who immediately preceding the relevant time, had lived with the *Plan Member* in a conjugal relationship:
 - (i) for a continuous period of at least three (3) years, or
 - (ii) of some permanence, if there is a child of the relationship by birth or adoption.

Standard Contribution Rate for any period shall mean the amount remitted to the *Fund* by *Employers* on behalf of members of the *Union* for each hour of covered employment under the industrial terms of the *Collective Agreement* applicable for the period.

Totally and Permanently Disabled shall mean the condition of a *Plan Member* who is entitled to receive disability benefits under the Canada Pension Plan, unless the *Board of Trustees* has exercised the option to request an independent medical examination.

Trust shall mean the trust established by the *Trust Agreement*.

Trust Agreement shall mean the Agreement and Declaration of Trust made and entered into as of the first day of October, 1968, by and between the *Union* and those *Employers* bound by the terms of a predecessor (dated May 1, 1965) of the *Collective Agreement*, as amended or replaced from time to time.

Trustees shall mean the *Board of Trustees* of The Edmonton Pipe Industry Pension Trust Fund, whose duties shall be that of the administration of the *Plan* and the *Fund*, and whose members shall be appointed pursuant to the applicable provisions of the *Trust Agreement*.

Union shall mean Local Union 488 of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada.

Vested Service in respect of a *Plan Member* shall have the following meaning:

Vesting of Benefits Earned After October 1, 1968 and Prior to October 1, 1972

A *Plan Member's Credited Past Service* or *Credited Membership Service* earned prior to October 1, 1972 shall be designated as *Vested Service* if at the time *Active* membership ceased, the *Plan Member* had attained age forty-five (45) and had accumulated at least 10 years of *Vesting Service*.

Vesting of Benefits Earned After September 30, 1972 and Prior to October 1, 1982

A *Plan Member's Credited Membership Service* earned on or after September 30, 1972 and Prior to October 1, 1982 shall be designated as *Vested Service* if at the time *Active Membership* ceased, the *Plan Member* had accumulated at least ten (10) years of *Vesting Service*.

Vesting of Benefits Earned After September 30, 1982 and Prior to October 1, 1986

A *Plan Member's Credited Membership Service* earned prior to October 1, 1986 shall be designated as *Vested Service* after the earliest of the following events during a *Period of Active Membership*:

- (a) the date upon which the *Plan Member* has accumulated at least seven (7) years of *Vesting Service*, in respect of service rendered during such *Period of Active Membership*, or
- (b) the date the *Plan Member* has attained sixty-five (65) years of age.

Vesting of Benefits Earned On or After October 1, 1986 and Prior to October 1, 1999

A *Plan Member's Credited Membership Service* earned on or after October 1, 1986 and prior to October 1, 1999 shall be designated as *Vested Service* after the earliest of the following events during a *Period of Active Membership*:

- (a) the date upon which the *Plan Member* has accumulated at least five (5) years of *Vesting Service*, in respect of service rendered during such *Period of Active Membership*, or
- (b) the date the *Plan Member* has attained sixty-five (65) years of age.

Vesting of Benefits Earned On or After October 1, 1999 and Prior to September 1, 2014

A *Plan Member's Credited Membership Service* earned on or after October 1, 1999 and prior to September 1, 2014 shall be designated as *Vested Service* after the earliest of the following events during a *Period of Active Membership*:

- (a) the date upon which the *Plan Member* has accumulated at least two (2) years of *Vesting Service*, in respect of service rendered during such *Period of Active Membership*, or
- (b) the date the *Plan Member* has attained sixty-five (65) years of age.

Vesting of Benefits Earned On or After September 1, 2014

A *Plan Member's Credited Membership Service* earned on or after September 1, shall be designated as *Vested Service* as of the first day of *Plan Member's Period of Active Membership*.

Vesting Service in respect of a *Plan Member* on/after October 1, 1982 shall mean the period of service for each *Plan Year* where the *Plan Member's* hours worked is three hundred (300) or more. For service from October 1, 1968 to September 30, 1982, the *Plan Member* received the same service for credited service and vested service.

YMPE shall mean, in respect of any *Plan Year*, the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan.

WHEN MAY I JOIN THE PLAN?

You join the *Plan* and become a *Plan Member* when you work for an *Employer* where the *Collective Agreement* or any other agreement with the *Union* requires contributions to be made to the *Fund* on your behalf. In accordance with the *Collective Agreement* your *Employer* will remit the specified contributions to the *Fund*. Your *Period of Active Membership* begins the first month in respect of which the *Fund* receives the contributions made on your behalf.

For example

In January 2015 you begin working for an *Employer* where there is a *Collective Agreement* in place which requires contributions be made to the *Fund* on your behalf. Your *Employer* begins to make contributions for you in January 2015, and you become a *Plan Member* in January 2015.

MAY I MAKE CONTRIBUTIONS TO THE FUND?

No, as a *Plan Member*, you do not make contributions to the *Fund*. Your *Employer* is required to make contributions to the *Fund* on your behalf according to contribution rates as specified in the *Collective Agreement*. All contributions made to the *Fund* by your *Employer* are deemed to be employer contributions.

WHEN AM I VESTED?

Vesting is important and has a significant impact on your *Retirement Benefit*. Your *Vested Service*, if any, is what determines your entitlement to a benefit from the *Plan*. Under the current *Plan* provisions, your Credited Membership Service immediately becomes Vested Service. In addition if at September 1, 2014 you were a Plan Member, had not terminated your period of Active Membership and had Credited Membership that was not designated as Vested Service your Credited Membership shall be deemed to be Vested Service.

Once your service has become designated as *Vested Service* you have earned the right to a benefit from the *Plan*. Once you have earned the right to a benefit, it cannot be taken away from you even if you no longer work for a contributing *Employer* or you leave the *Union*.

The following table shows the amount of *Credited Membership Service* and *Vesting Service* earned based on the number of *Covered Hours of Employment* during a *Plan Year* for service from October 1, 1982 to current.

<i>Covered Hours of Employment in a Plan Year</i>	<i>Credited Membership Service</i>	<i>Vesting Service</i>
0 to 299	Nil	Nil
300 to 499	1/6 year	1 year
500 to 699	2/6 year	1 year
700 to 899	3/6 year	1 year
900 to 1,099	4/6 year	1 year
1,100 to 1,299	5/6 year	1 year
1,300 or more	1 year	1 year

The following table shows the amount of *Credited Membership Service* and *Vesting Service* earned based on the number of *Covered Hours of Employment* during a *Plan Year* for service prior October 1, 1982.

<i>Covered Hours of Employment in a Plan Year</i>	<i>Credited Membership Service</i>	<i>Vesting Service</i>
0 to 299	Nil	Nil
300 to 499	1/6 year	1/6 year
500 to 699	2/6 year	2/6 year
700 to 899	3/6 year	3/6 year
900 to 1,099	4/6 year	4/6 year
1,100 to 1,299	5/6 year	5/6 year
1,300 or more	1 year	1 year

Here are some examples of how Vesting worked prior to September 1, 2014

- (a) Peter became a *Plan Member* in November 2008. During the *Plan Year* October 1, 2008 to September 30, 2009 Peter had 900 *Covered Hours of Employment*. During the *Plan Year* October 1, 2009 to September, 2010 Peter had 1,200 *Covered Hours of Employment*. As of October 1, 2012 Peter had accumulated two (2) years of *Vesting Service*. His *Credited Membership Service* is designated as *Vested Service* and he is entitled to receive a *Retirement Benefit* from the *Plan*.
- (b) George became a *Plan Member* in December 2008. The following chart outlines a summary of his *Covered Hours of Employment*:

<i>Plan Year</i>	<i>Covered Hours of Employment</i>	<i>Vesting Service (Years)</i>
October 1, 2008 to September 30, 2009	300 hours	1
October 1, 2009 to September 30, 2010	200 hours	0
October 1, 2010 to December 31, 2011	350 hours	1
January 1, 2012 to December 31, 2012	600 hours	1

As of December 31, 2011 George had accumulated two (2) years of *Vesting Service*. His *Credited Membership Service* is designated as *Vested Service* and he is entitled to receive a *Retirement Benefit* from the *Plan*.

- (c) Nathan became a *Plan Member* in January 2013 at age 64. During the *Plan Year* January 1, 2013 to December 31, 2013 Nathan had 150 *Covered Hours of Employment*. During the period January 1, 2014 to June 30, 2014 he had 650 *Covered Hours of Employment*. On June 20, 2014 Joe reaches age 65 and he decides to retire. Even though Nathan had not yet accumulated two (2) years of *Vesting Service*, because he had reached age 65, his *Credited Membership Service* is designated as *Vested Service* and he was entitled to receive a *Retirement Benefit* from the *Plan*.

If, at the time of your termination, early retirement or death, you do not have a *Vested Pension*, no benefits will be payable from the *Plan*.

RETIREMENT BENEFITS

Retirement Benefit shall mean any payment provided in accordance with the *Plan's* provisions. The following types of *Retirement Benefits* are available from the *Plan*:

- Normal Retirement;
- Early Retirement;
- Special Early Retirement;
- Delayed Retirement; and
- Disability Retirement.

WHEN MAY I RETIRE?

The *Plan's Normal Retirement Date* is the first day of the month coincident with or next following your 65th birthday. You may be eligible to retire as early as age 55 or you may retire later than age 65 if you wish.

Early Retirement

Provided that you have *Vested Service*, you may retire on the first day of any month coincident with or next following your 55th birthday. By retiring early, it is expected that you will receive your *Retirement Benefits* for a longer period of time than if you waited and retired at age 65. For this reason the amount of your *Early Retirement Benefit* is reduced.

The requirements and the applicable reductions in the *Early Retirement Benefit* are as follows:

- (a) If you are not a *Qualified Member* on your early retirement date, your reduced monthly benefit will be the *Actuarial Equivalent* of the amount of benefit you would have received on your *Normal Retirement Date*.
- (b) If you are a *Qualified Member* on your early retirement date and
 - (i) you have reached age 60; and
 - (ii) the sum of your age (in years and completed months) plus your years of *Credited Service* is less than 75; or
 - (iii) you have less than 15 years of *Credited Service*

your monthly early *Retirement Benefit* will be a percentage of the amount payable at your *Normal Retirement Date*, as shown in the table below:

Age at Retirement	Percentage of Normal Retirement Benefit Payable
60	85%
61	88%
62	91%
63	94%
64	97%

- (c) If you are a *Qualified Member* on your early retirement date and
 - (i) you have reached age 58; and
 - (ii) the sum of your age (in years and completed months) plus your years of *Credited Service* is at least 75; and
 - (iii) you have at least 15 years of *Credited Service*; and

- (iv) you are not eligible to retire under the Special Early Retirement terms of the *Plan* (your age in years and complete months plus your years of *Credited Service* equal at least 80) as defined below.

your monthly *Early Retirement Benefit* will be determined in the same manner as the amount payable at your *Normal Retirement Date* and then reduced by 1/4 of 1% for each month (3.0% per year) your early retirement date precedes the earlier of:

- (i) age 60; or
- (ii) the date when your age (in years and completed months) plus your years of *Credited Service* equals 80.

Some examples are shown in the table below:

Age at Retirement	Credited Service	Age Plus Credited Service	Formula Reduction
58	17	75	6% (3% x 2 years less than age 60)
58	21	79	3% (3% x 1 year less than "80")
59	20	79	3% (3% x 1 year less than age 60)
59	16	75	3% (3% x 1 year less than age 60)

Special Early Retirement

You may be eligible for an unreduced *Special Early Retirement Benefit* provided that you have *Vested Service*, and

- (a) you have reached age 58; and
- (b) the sum of your age (in years and completed months) plus your years of *Credited Service* is at least 80; and
- (c) you have at least 15 years of *Credited Service*; and
- (d) you are a *Qualified Member* prior to your application for retirement.

If you meet these requirements, you may retire and receive your full monthly *Retirement Benefit*. In other words, the reductions stated above for Early Retirement will not apply.

Some examples of eligibility for an unreduced benefit on Early Retirement are:

Age at Retirement	Credited Service	Age Plus Credited Service	Eligible for Unreduced Retirement?
55	22	77	No
58	22	80	Yes
59	21	80	Yes

Age at Retirement	Credited Service	Age Plus Credited Service	Eligible for Unreduced Retirement?
60	14	74	No
60	15	75	Yes
62	18	80	Yes
63	14	77	No
64	16	80	Yes

Summary

The following table summarizes the percentage of the accrued pension which is payable on retirement:

Member Status and Service at Retirement	Retirement Age											
	Under 55	55	56	57	58	59	60	61	62	63	64	65+
Not a Member of the Union for the 5 preceding years	n/a	46%	49%	53%	57%	62%	67%	73%	79%	85%	92%	100%
Member of the Union for the 5 preceding years and												
< 15 years	n/a	46%	49%	53%	57%	62%	85%	88%	91%	94%	97%	100%
15 years	n/a	46%	49%	53%	57%	62%	100%	100%	100%	100%	100%	100%
16 years	n/a	46%	49%	53%	57%	97%	100%	100%	100%	100%	100%	100%
17 to 20 years	n/a	46%	49%	53%	94%	97%	100%	100%	100%	100%	100%	100%
21 years	n/a	46%	49%	53%	97%	100%	100%	100%	100%	100%	100%	100%
22 plus years	n/a	46%	49%	53%	100%	100%	100%	100%	100%	100%	100%	100%
Disability	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	n/a

Delayed Retirement

You may continue to work past age 65 and elect a delayed retirement date which is the first day of any month following your *Normal Retirement Date*. The Income Tax Act requires that you start receiving your *Retirement Benefit* no later than December 1 of the calendar year in which you reach age 71 even if you continue to work. If you continue to work beyond age 71 any contributions made on your behalf will not increase your *Retirement Benefit*.

For example

Sam's date of birth is April 7, 1949 and his 65th birthday was April 7, 2014. At that time, he decided that he would like to continue working. Sam continues working to May 10, 2015. His retirement date is June 1, 2015. All contributions received by the *Fund* on Sam's behalf accrue to his benefit.

Peter's date of birth is August 5, 1945 and his 65th birthday was August 5, 2010. He decided he would continue working until after age 71. On December 1, 2016 (December 1 in the calendar year in which he turns 71), he must start receiving a pension from the *Plan*. Peter will not receive any additional benefit for contributions or hours reported on his behalf on or after December 1, 2016.

Disability Retirement

If you become disabled and cannot work, you may be eligible for a *Disability Retirement Benefit* if you meet the following requirements:

- you are not receiving a *Retirement Benefit* from The Edmonton Pipe Industry Pension Plan; and
- you have five years of *Credited Service*; and
- you are entitled to receive disability benefits from the Canada Pension Plan; and
- you are not entitled to receive disability income benefits from any program provided by The Edmonton Pipe Industry Health and Welfare Fund; and
- you were a member in good standing with the *Union* at the time you became totally and permanently disabled.

Your *Disability Retirement Benefit* will be payable beginning with the first day of any month prior to your 65th birthday and following the date of your disability until the earliest of:

- the date you no longer qualify to receive disability benefits from the Canada Pension Plan due to recovery from total and permanent disability; or
- the first of the month following your 65th birthday; or
- your death.

You may be asked by the *Board of Trustees* to submit to an independent medical examination by a medical doctor who is licensed to practice in Canada. The purpose of the medical exam is to determine whether or not you are gainfully employable. If the medical doctor determines that you are not gainfully employable, your *Disability Retirement* benefits will be approved. If the medical doctor determines that you are gainfully employable, your *Disability Retirement* benefits will not be approved or will cease.

The amount of *Disability Retirement Benefit* payable is equal to the amount of pension you have accrued as at your date of disability.

HOW MUCH WILL MY PENSION BE?

The amount of your monthly *Retirement Benefit* will depend on:

- your age at retirement;
- your *Credited Past Service*;
- your *Credited Membership Service*;
- the *Plan's* benefit formula;
- whether or not you have a *Spouse* on the date of your retirement;
- your *Spouse's* age on the date of your retirement; and
- the payment option you elect at retirement.

Credited Past Service of a *Plan Member* shall mean the number of continuous years of membership in the *Union* prior to the *Effective Date of the Plan* and subsequent to the last date of initiation, or a transfer to the *Union*, except that if a *Plan Member's* membership in the *Union* terminated prior to July 1, 1957 because he was working under a clearance card, the aforesaid *Credited Past Service* shall be increased by the number of continuous months of membership in the *Union* subsequent to the last date of initiation, re-initiation, or transfer to the *Union* prior to the date of issuance of the said clearance card up to the date of issuance of the clearance card, provided, however the *Credited Past Service* of a *Plan Member* shall be subject to the following express conditions and limitations:

- (a) To receive any consideration for *Credited Past Service*, an *Employee* must earn at least three hundred (300) *Covered Hours of Employment* during the first *Plan Year* commencing October 1, 1968.
- (b) No credit shall be given for partial or fractional years of membership in the *Union*. A full year of *Credited Past Service* shall be given for each multiple of twelve (12) months of membership in the *Union* as determined above.
- (c) The *Board of Trustees* may make such rules as it deems appropriate in order to recognize as *Credited Past Service* the period of covered employment of an *Employee* prior to October 1, 1968, and prior to the last date of initiation, re-initiation, such rules shall be applied in an even handed and consistent manner.

If you have accumulated *Credited Past Service*, you will receive a *Retirement Benefit* equal to \$15.00 multiplied by the number of years of *Credited Past Service*.

Credited Membership Service of a *Plan Member* shall mean the period for which the *Plan Member* has *Covered Hours of Employment* and which commences on the later of:

- (a) October 1, 1968; and

- (b) the earlier of:
- (i) the last date of initiation, re-initiation, reinstatement after a withdrawal, or transfer to the *Union* as a *Plan Member*; and
 - (ii) the beginning date of a *Plan Member's Period of Active Membership*.

The *Credited Membership Service* of the *Plan Member* shall be equal to the sum of the *Credited Membership Service* of the *Plan Member* determined in accordance with the rates as set out in the *Plan's* provisions.

The following tables give the current rates for the various periods of time:

Period	Covered Hours	Amount of Monthly Membership Service Retirement Benefit	Credited Membership Service
On or after October 1, 1968 and prior to October 1, 1982	1,500 or more	\$35.00	1 year
	1,300 but less than 1,500	\$30.00	1 year
	1,100 but less than 1,300	\$25.00	5/6 year
	900 but less than 1,100	\$20.00	4/6 year
	700 but less than 900	\$15.00	3/6 year
	500 but less than 700	\$10.00	2/6 year
	300 but less than 500	\$5.00	1/6 year
	0 but less than 300	\$0.00	Nil
On or after October 1, 1982 and prior to October 1, 1991	1,500 or more	\$45.00	1 year
	1,300 but less than 1,500	\$38.57	1 year
	1,100 but less than 1,300	\$32.14	5/6 year
	900 but less than 1,100	\$25.71	4/6 year
	700 but less than 900	\$19.29	3/6 year
	500 but less than 700	\$12.86	2/6 year
	300 but less than 500	\$6.43	1/6 year
	0 but less than 300	\$0.00	Nil
On or after October 1, 1991 and prior to September 30, 1992	2,000 but less than 2,100	\$73.33	1 year
	1,900 but less than 2,000	\$69.67	1 year
	1,800 but less than 1,900	\$66.00	1 year
	1,700 but less than 1,800	\$62.33	1 year
	1,600 but less than 1,700	\$58.67	1 year
	1,500 but less than 1,600	\$55.00	1 year
	1,400 but less than 1,500	\$51.33	1 year
	1,300 but less than 1,400	\$47.67	1 year
	1,200 but less than 1,300	\$44.00	5/6 year
	1,100 but less than 1,200	\$40.33	5/6 year

Period	Covered Hours	Amount of Monthly Membership Service Retirement Benefit	Credited Membership Service
	1,000 but less than 1,100	\$36.67	4/6 year
	900 but less than 1,000	\$33.00	4/6 year
	800 but less than 900	\$29.33	3/6 year
	700 but less than 800	\$25.67	3/6 year
	600 but less than 700	\$22.00	2/6 year
	500 but less than 600	\$18.33	2/6 year
	400 but less than 500	\$14.67	1/6 year
	300 but less than 400	\$11.00	1/6 year
	200 but less than 300	\$7.33	Nil
	100 but less than 200	\$3.67	Nil
	0 but less than 100	\$0.00	Nil
On or after October 1, 1992 and prior to October 1, 2009	3,000 but less than 3,100	\$144.97	1 year
	2,900 but less than 3,000	\$140.14	1 year
	2,800 but less than 2,900	\$135.31	1 year
	2,700 but less than 2,800	\$130.48	1 year
	2,600 but less than 2,700	\$125.65	1 year
	2,500 but less than 2,600	\$120.82	1 year
	2,400 but less than 2,500	\$115.99	1 year
	2,300 but less than 2,400	\$111.16	1 year
	2,200 but less than 2,300	\$106.33	1 year
	2,100 but less than 2,200	\$101.50	1 year
	2,000 but less than 2,100	\$96.67	1 year
	1,900 but less than 2,000	\$91.83	1 year
	1,800 but less than 1,900	\$87.00	1 year
	1,700 but less than 1,800	\$82.17	1 year
	1,600 but less than 1,700	\$77.33	1 year
	1,500 but less than 1,600	\$72.50	1 year
	1,400 but less than 1,500	\$67.67	1 year
	1,300 but less than 1,400	\$62.83	1 year
	1,200 but less than 1,300	\$58.00	5/6 year
	1,100 but less than 1,200	\$53.17	5/6 year
	1,000 but less than 1,100	\$48.33	4/6 year
	900 but less than 1,000	\$43.50	4/6 year
	800 but less than 900	\$38.67	3/6 year
	700 but less than 800	\$33.83	3/6 year
	600 but less than 700	\$29.00	2/6 year
	500 but less than 600	\$24.17	2/6 year
	400 but less than 500	\$19.33	1/6 year

Period	Covered Hours	Amount of Monthly Membership Service Retirement Benefit	Credited Membership Service
	300 but less than 400	\$14.50	1/6 year
	200 but less than 300	\$9.67	Nil
	100 but less than 200	\$4.83	Nil
	0 but less than 100	\$0.00	Nil
On or after October 1, 1999 and prior to October 1, 2009 (Provided you were a Member of the <i>Union</i> as at October 1, 2009 and (1) whose <i>Active Membership</i> was continuing, or (2) whose period of Active Membership has ended, but who has not commenced a Retirement Benefit and who has not transferred his entitlement from the Plan; or (3) who is receiving disability income from any program provided or sponsored by the Edmonton Pipe Industry Health and Welfare Fund and is not in receipt of a disability pension from the Plan.	3,000 but less than 3,100	\$152.20	1 year
	2,900 but less than 3,000	\$147.13	1 year
	2,800 but less than 2,900	\$142.06	1 year
	2,700 but less than 2,800	\$136.99	1 year
	2,600 but less than 2,700	\$131.92	1 year
	2,500 but less than 2,600	\$126.85	1 year
	2,400 but less than 2,500	\$121.78	1 year
	2,300 but less than 2,400	\$116.71	1 year
	2,200 but less than 2,300	\$111.64	1 year
	2,100 but less than 2,200	\$106.57	1 year
	2,000 but less than 2,100	\$101.50	1 year
	1,900 but less than 2,000	\$96.42	1 year
	1,800 but less than 1,900	\$91.35	1 year
	1,700 but less than 1,800	\$86.28	1 year
	1,600 but less than 1,700	\$81.20	1 year
	1,500 but less than 1,600	\$76.13	1 year
	1,400 but less than 1,500	\$71.05	1 year
	1,300 but less than 1,400	\$65.97	1 year
	1,200 but less than 1,300	\$60.90	5/6 year
	1,100 but less than 1,200	\$55.83	5/6 year
	1,000 but less than 1,100	\$50.75	4/6 year
	900 but less than 1,000	\$45.68	4/6 year
	800 but less than 900	\$40.60	3/6 year
	700 but less than 800	\$35.52	3/6 year
	600 but less than 700	\$30.45	2/6 year
	500 but less than 600	\$25.38	2/6 year
	400 but less than 500	\$20.30	1/6 year
	300 but less than 400	\$15.23	1/6 year
	200 but less than 300	\$10.15	Nil
	100 but less than 200	\$5.07	Nil
	0 but less than 100	0.00	Nil

Period	Covered Hours	Amount of Monthly Membership Service Retirement Benefit	Credited Membership Service
On or after October 1, 2009 and prior to October 1, 2010	3,000 but less than 3,100	\$152.20	1 year
	2,900 but less than 3,000	\$147.13	1 year
	2,800 but less than 2,900	\$142.06	1 year
	2,700 but less than 2,800	\$136.99	1 year
	2,600 but less than 2,700	\$131.92	1 year
	2,500 but less than 2,600	\$126.85	1 year
	2,400 but less than 2,500	\$121.78	1 year
	2,300 but less than 2,400	\$116.71	1 year
	2,200 but less than 2,300	\$111.64	1 year
	2,100 but less than 2,200	\$106.57	1 year
	2,000 but less than 2,100	\$101.50	1 year
	1,900 but less than 2,000	\$96.42	1 year
	1,800 but less than 1,900	\$91.35	1 year
	1,700 but less than 1,800	\$86.28	1 year
	1,600 but less than 1,700	\$81.20	1 year
	1,500 but less than 1,600	\$76.13	1 year
	1,400 but less than 1,500	\$71.05	1 year
	1,300 but less than 1,400	\$65.97	1 year
	1,200 but less than 1,300	\$60.90	5/6 year
	1,100 but less than 1,200	\$55.83	5/6 year
	1,000 but less than 1,100	\$50.75	4/6 year
	900 but less than 1,000	\$45.68	4/6 year
	800 but less than 900	\$40.60	3/6 year
	700 but less than 800	\$35.52	3/6 year
	600 but less than 700	\$30.45	2/6 year
	500 but less than 600	\$25.38	2/6 year
	400 but less than 500	\$20.30	1/6 year
	300 but less than 400	\$15.23	1/6 year
	200 but less than 300	\$10.15	Nil
	100 but less than 200	\$5.07	Nil
	0 but less than 100	\$0.00	Nil
On or after October 1, 2010 and prior to December 31, 2011	3,000 but less than 3,100	\$192.00	1.25 years
	2,900 but less than 3,000	\$185.60	1.25 years
	2,800 but less than 2,900	\$179.20	1.25 years
	2,700 but less than 2,800	\$172.80	1.25 years
	2,600 but less than 2,700	\$166.40	1.25 years
	2,500 but less than 2,600	\$160.00	1.25 years
	2,400 but less than 2,500	\$153.60	1.25 years

Period	Covered Hours	Amount of Monthly Membership Service Retirement Benefit	Credited Membership Service
	2,300 but less than 2,400	\$147.20	1.25 year
	2,200 but less than 2,300	\$140.80	1.25 year
	2,100 but less than 2,200	\$134.40	1.25 year
	2,000 but less than 2,100	\$128.00	11.25 year
	1,900 but less than 2,000	\$121.60	1.25 year
	1,800 but less than 1,900	\$115.20	1.25 year
	1,700 but less than 1,800	\$108.80	1.25 year
	1,600 but less than 1,700	\$102.40	1 and 1/6 years
	1,500 but less than 1,600	\$96.00	1 and 1/6 years
	1,400 but less than 1,500	\$89.60	1 year
	1,300 but less than 1,400	\$83.20	1 year
	1,200 but less than 1,300	\$76.80	5/6 year
	1,100 but less than 1,200	\$70.40	5/6 year
	1,000 but less than 1,100	\$64.00	4/6 year
	900 but less than 1,000	\$57.60	4/6 year
	800 but less than 900	\$51.20	3/6 year
	700 but less than 800	\$44.80	3/6 year
	600 but less than 700	\$38.40	2/6 year
	500 but less than 600	\$32.00	2/6 year
	400 but less than 500	\$25.60	1/6 year
	300 but less than 400	\$19.20	1/6 year
	200 but less than 300	\$12.80	Nil
	100 but less than 200	\$6.40	Nil
	0 but less than 100	\$0.00	Nil
On or after January 1, 2012 and prior to December 31, 2014	3,000 but less than 3,100	\$192.00	1 year
	2,900 but less than 3,000	\$185.60	1 year
	2,800 but less than 2,900	\$179.20	1 year
	2,700 but less than 2,800	\$172.80	1 year
	2,600 but less than 2,700	\$166.40	1 year
	2,500 but less than 2,600	\$160.00	1 year
	2,400 but less than 2,500	\$153.60	1 year
	2,300 but less than 2,400	\$147.20	1 year
	2,200 but less than 2,300	\$140.80	1 year
	2,100 but less than 2,200	\$134.40	1 year
	2,000 but less than 2,100	\$128.00	1 year
	1,900 but less than 2,000	\$121.60	1 year
	1,800 but less than 1,900	\$115.20	1 year
	1,700 but less than 1,800	\$108.80	1 year

Period	Covered Hours	Amount of Monthly Membership Service Retirement Benefit	Credited Membership Service
	1,600 but less than 1,700	\$102.40	1 year
	1,500 but less than 1,600	\$96.00	1 year
	1,400 but less than 1,500	\$89.60	1 year
	1,300 but less than 1,400	\$83.20	1 year
	1,200 but less than 1,300	\$76.80	5/6 year
	1,100 but less than 1,200	\$70.40	5/6 year
	1,000 but less than 1,100	\$64.00	4/6 year
	900 but less than 1,000	\$57.60	4/6 year
	800 but less than 900	\$51.20	3/6 year
	700 but less than 800	\$44.80	3/6 year
	600 but less than 700	\$38.40	2/6 year
	500 but less than 600	\$32.00	2/6 year
	400 but less than 500	\$25.60	1/6 year
	300 but less than 400	\$19.20	1/6 year
	200 but less than 300	\$12.80	Nil
	100 but less than 200	\$6.40	Nil
	0 but less than 100	\$0.00	Nil
On or after January 1, 2015	3,000 but less than 3,100	\$197.70	1 year
	2,900 but less than 3,000	\$191.11	1 year
	2,800 but less than 2,900	\$184.52	1 year
	2,700 but less than 2,800	\$177.93	1 year
	2,600 but less than 2,700	\$171.34	1 year
	2,500 but less than 2,600	\$164.75	1 year
	2,400 but less than 2,500	\$158.16	1 year
	2,300 but less than 2,400	\$151.57	1 year
	2,200 but less than 2,300	\$144.98	1 year
	2,100 but less than 2,200	\$138.39	1 year
	2,000 but less than 2,100	\$131.80	1 year
	1,900 but less than 2,000	\$125.21	1 year
	1,800 but less than 1,900	\$118.62	1 year
	1,700 but less than 1,800	\$112.03	1 year
	1,600 but less than 1,700	\$105.44	1 year
	1,500 but less than 1,600	\$98.85	1 year
	1,400 but less than 1,500	\$92.26	1 year
	1,300 but less than 1,400	\$85.67	1 year
	1,200 but less than 1,300	\$79.08	5/6 year
	1,100 but less than 1,200	\$72.49	5/6 year
	1,000 but less than 1,100	\$65.90	4/6 year

Period	Covered Hours	Amount of Monthly Membership Service Retirement Benefit	Credited Membership Service
	900 but less than 1,000	\$59.31	4/6 year
	800 but less than 900	\$52.72	3/6 year
	700 but less than 800	\$46.13	3/6 year
	600 but less than 700	\$39.54	2/6 year
	500 but less than 600	\$32.95	2/6 year
	400 but less than 500	\$26.36	1/6 year
	300 but less than 400	\$19.77	1/6 year
	200 but less than 300	\$13.18	Nil
	100 but less than 200	\$6.59	Nil
	0 but less than 100	\$0.00	Nil

The benefit formula is established by the *Board of Trustees*. The *Board of Trustees* reviews the formula regularly and based on the financial condition of the *Plan* makes adjustments as deemed necessary.

Using the current formula, the following examples show the monthly *Retirement Benefit* payable at various retirement ages for a *Qualified Member*:

Example 1

John joins the *Plan* in February 2015, and retires 40 years later on his *Normal Retirement Date* at age 65.

<i>Hours of Covered Employment during each Plan Year</i>	1,500
<i>Credited Service at age 65</i>	40 years
<i>Benefit Rate</i>	\$98.85
<i>Retirement Benefit</i>	$\$98.85 \times 40 = \$3,954$

When John retires at age 65, he is entitled to receive a *Retirement Benefit* of \$3,954 per month.

Example 2

Kevin joins the *Plan* in March 2015 and 17 years later retires early at age 58.

He is a *Qualified Member* who has attained at least the age of 58, and his age plus years of *Credited Service* totals at least 75 and he has at least 15 years of *Credited Service*:

<i>Hours of Covered Employment during each Plan Year</i>	1,600
<i>Credited Service at age 58</i>	17 years
<i>Benefit Rate</i>	\$105.44
<i>Retirement Benefit payable at age 65</i>	$\$105.44 \times 17 = \$1,792.48$
<i>Reduction Formula</i>	6% (3% x 2 years < age 60)

Reduction Amount	$\$1,792.48 \times 6\% = \107.55
Early Retirement Benefit	$\$1,792.48 - \$107.55 = \$1,684.93$

When Kevin retires at age 58, he is entitled to receive an *Early Retirement Benefit* of \$1,684.93 per month.

Example 3

Michael joins the *Plan* in November 2015 and 13 years later retires at age 60.

He is a *Qualified Member* who has attained the age of 60 but his age plus years of *Credited Service* is less than 75 and his years of *Credited Service* are less than 15 years:

<i>Hours of Covered Employment</i> during each <i>Plan Year</i>	2,000
<i>Credited Service</i> at age 60	13 years
Benefit Rate	\$131.80
<i>Retirement Benefit</i> payable at age 65	$\$131.80 \times 13 = \$1,713.40$
Reduction Formula	15% (3% x 5 years < 65)
Reduction Amount	$\$1,713.40 \times 15\% = \257.01
Early Retirement Benefit	$\$1,713.40 - \$257.01 = \$1,456.39$

When Michael retires at age 60, he is entitled to receive an *Early Retirement Benefit* of \$1,456.39 per month.

Example 4

Tom joins the *Plan* in 1967 and 38 years later retires at age 65. Tom worked 1,600 *Hours of Covered Employment* during each *Plan Year* after October 1, 1968.

Period	Credited Service	Benefit Rate	Monthly Pension Earned During the Period
Prior to October 1, 1968 (<i>Credited Past Service</i>)	1 year	\$15.00	\$15.00
October 1, 1968 to September 30, 1982	14 years	\$35.00	\$490.00
October 1, 1982 to September 30, 1991	9 years	\$45.00	\$405.00
October 1, 1991 to September 30, 1992	1 year	\$58.67	\$58.67
October 1, 1992 to			

Period	Credited Service	Benefit Rate	Monthly Pension Earned During the Period
September 30, 1999	7 years	\$77.33	\$541.31
October 1, 1999 to September 30, 2005 (still a <i>Member</i> of the <i>Union</i> etc.)	6 years	\$81.20	\$487.20
Total Retirement Benefit:			\$1,997.18

When Tom retired at age 65, he was entitled to receive a *Retirement Benefit* of \$1,997.18 per month.

Example 5

Ed joins the *Plan* in 1999 and 38 years later retires at age 65. Ed works 1,900 *Hours of Covered Employment* during each *Plan Year*.

Period	Credited Service	Benefit Rate	Monthly Pension Earned During the Period
October 1, 1999 to September 30, 2009	10 years	\$96.42	\$964.20
October 1, 2009 to September 30, 2010	1 year	\$96.42	\$96.42
October 1, 2010 to December 31, 2011	1.25 years	\$121.60	\$121.60
January 1, 2012 to December 31, 2014	3 years	\$121.60	\$364.80
January 1, 2015 to age 65	23 years	\$125.21	\$2,879.83
Total Retirement Benefit:			\$4,426.85

When Ed retires at age 65, he is entitled to receive a *Retirement Benefit* of \$4,426.85 per month.

If you decide to retire after age 55 but before you have reached age 65, the amount of your *Retirement Benefit* may be reduced depending on the following factors:

- **your *Union* membership status prior to your retirement,**
- **your *Credited Service*,**
- **your age at retirement;**
- **your *Spouse's* age at your retirement; and**
- **the current benefit formula.**

If you retire early and you are not a Qualified Member at the date of your retirement, your early retirement benefit will be the actuarial equivalent of the benefit that would have been payable at your *Normal Retirement Date* at age 65.

HOW WILL MY RETIREMENT BENEFIT BE PAID?

The manner in which your *Retirement Benefit* is paid to you depends on whether or not you have a *Spouse* on your retirement date.

(a) If you do not have a Spouse on the date of your retirement

The normal form of *Retirement Benefit* under the *Plan* is a monthly payment starting on your retirement date and continuing until the date of your death or until 120 monthly payments have been made whichever is longer. This is known as a Life, Guaranteed 10 year benefit.

(b) If you have a Spouse on the date of your retirement

Under the Alberta *Employment Pension Plans Act* (the “EPPA”), if you have a *Spouse* when you retire, your pension must be paid in a “Joint and Survivor” form of payment. This means your *Retirement Benefit* will be paid to you each month for the rest of your life. Following your death, a minimum percentage of the monthly *Retirement Benefit* you were receiving immediately prior to your death will continue to be paid to your surviving *Spouse* for her/his lifetime.

Under the EPPA the minimum percentage that must continue to your *Spouse* (your *Spouse* at the time of your retirement) is 60%.

However, under the terms of the *Plan*, the minimum percentage that will continue to your surviving *Spouse* (your *Spouse* at the time you retire) if you should predecease her/him is 66⅔%.

The normal form of *Retirement Benefit* under the *Plan* is a joint and Survivor 66⅔% with a 10 year guarantee. The pension is payable for your lifetime with a 10 year guarantee. If you die before receiving 120 payments, your *Spouse* (your *Spouse* at retirement) will receive the remaining guaranteed payments on a monthly basis. After the 10 year guarantee period is over, your *Spouse* if still living, will receive 66⅔% of the monthly amount for her or his lifetime.

If you and your *Spouse* both die before the 10 year period has expired, the remaining guaranteed payments will be paid to the designated beneficiary or estate.

Effective January 1, 2015, if a Plan Member becomes a Retired Member on or after January 1, 2015, any person who did not qualify as a *Spouse* of the Retired Plan Member on the date of the Retired Plan Member's retirement date shall **not** be entitled to receive a monthly benefit.

Your *Retirement Benefit* will be reduced if your *Spouse* is more than 10 years younger than you.

Example 1

At the time of his retirement, Steve had a *Spouse* named Carol and therefore the monthly Pension he was receiving was payable in the the Joint and Survivor 66 ⅔% with a 10 year Guarantee form. Carol passes away and Steve subsequently remarries Jennifer. Jennifer is not considered a *Spouse* under the Plan, i.e. she is not entitled to the 66⅔% pension if Steve should predecease her. The only benefit that Jennifer may be entitled to is if Steve dies before receiving 120 payments and he had named Jennifer as his Beneficiary. Jennifer would receive any remaining payments of the guarantee period as a Beneficiary.

Example 2

At the time of his retirement on April 1, 2015, Phil had a *Spouse*, Anna. Phil began receiving his Pension in the Normal Form of a Joint and Survivor 66⅔% Guaranteed 10 year basis in the amount of \$1,000. Phil died on November 25, 2015. At the time of his death Phil had received 8 payments. On December 1, 2015 Anna begins receiving a benefit of \$1,000 per month for the next 112 months (i.e. the remaining period of 120 payments). On April 1, 2025, Anna's monthly benefit will be reduced to \$666.67 (66⅔% of \$1,000). Anna will receive this benefit for the remainder of her lifetime.

If Anna should die prior to April 1, 2025, any remaining payments pertaining to the guarantee period will continue to her Beneficiary until March 31, 2025.

ARE OTHER OPTIONAL FORMS OF PENSION AVAILABLE?

Unless you are retiring under the Disability Retirement provisions, you may choose to receive your pension payment in one of the optional forms shown below.

If you do not have a *Spouse*

If you do not have a *Spouse* at the time of your retirement, you may elect one of the following optional forms:

- Life Only Pension
- Life Guaranteed sixty (60) payments
- Life Guaranteed one hundred eighty (180 payments).

Life Only Pension

This benefit provides a monthly pension that is payable for your lifetime and ceases upon your death.

Life Guaranteed 60 payments and Life Guaranteed 180 payments

This benefit guarantees that, if you die after pension payments commence and before either 60 or 180 payments have been made (depending on the option you elect), the *Commuted Value* of the remaining payments will be paid to your *Beneficiary*.

If you have a *Spouse*

If you do have a *Spouse* at the time of your retirement, you may elect one of the following optional forms:

- Joint and Survivor 100% with a 10 year guarantee;
- Joint and Survivor 75% with a 10 year guarantee;
- Life Only Pension - provided your Spouse waives the survivor benefit;
- Life Guaranteed sixty (60) payments - provided your Spouse waives the survivor benefit;
- Life Guaranteed sixty (120) payments - provided your Spouse waives the survivor benefit;
- Life Guaranteed one hundred eighty (180 payments) - provided your Spouse waives the survivor benefit.

Enhanced Survivor Pensions

As stated previously, the “Joint and Survivor” pension requires a minimum percentage of the *Retirement Benefit* you were receiving immediately prior to your death to continue to your surviving *Spouse*. Under the *Plan’s* provisions, the minimum percentage is 66⅔% with a 10 year guarantee. However, you may also choose an amount of 75% or 100% of the monthly

Retirement Benefit you were receiving on the date of your death, to continue to your *Spouse*, provided your *Spouse* is living at the time of your death. This amount would be paid for the remainder of your *Spouse's* lifetime. Under these enhanced options, your *Retirement Benefit* will be reduced so as to provide a higher pension to your *Spouse*.

The *Retirement Benefits* calculated under the options take into consideration:

- (a) the age of your *Spouse*; and
- (b) the option chosen.

Death or survivor benefits payable by the *Plan* after your death will be paid in accordance with the form of payment you choose at the time of your retirement.

In order to receive your monthly *Retirement Benefit* in one of the optional forms of payment described above, you must make your election, in writing, at the time of your retirement. Once you have started to receive your monthly *Retirement Benefit*, you may not change the form of payment.

The *Plan* and the *Board of Trustees* are not responsible for payment of any benefit you may be entitled to receive from Old Age Security and/or the Canada Pension Plan. If you do not qualify for Old Age Security and/or Canada Pension Plan benefits, or if these benefits are changed, reduced or even cancelled, your *Retirement Benefit* option from the *Plan* will not change.

MAY I RECEIVE A “LUMP SUM” PAYMENT INSTEAD OF A MONTHLY RETIREMENT BENEFIT?

You may elect to receive the *Commuted Value* of your *Retirement Benefit* in a lump sum in lieu of all other benefits from the *Plan*, in certain circumstances which are described below.

If the *Commuted Value* of your annual *Retirement Benefit* payable in the normal form at age 65, is less than 20% of the *YMPE* in the year in which the calculation is done, you may elect to receive the *Commuted Value* of your *Retirement Benefit* in a lump sum.

In other words, using the 2016 Yearly Maximum Pensionable Earnings (*YMPE*) amount of \$54,900 if the *Commuted Value* of your *Retirement Benefit* is less than \$10,980 (\$54,900 x 20%), you may elect to receive your *Retirement Benefit* as a lump sum payment instead of receiving a monthly payment.

Subject to the provisions of the *Income Tax Act*, any lump sum payable under the circumstances as described above may be transferred to a registered retirement savings arrangement of your choice.

Should you choose to transfer the lump sum to a registered retirement savings vehicle, it will be considered tax exempt.

Should you decide to receive a lump sum payment as described above, you will not be entitled to further benefits from the *Plan*.

Remember if you choose to receive a lump sum payment as cash, it is considered as taxable income and you will be required to pay income tax on the amount received.

WHAT HAPPENS TO MY PENSION IF I DIE BEFORE I RETIRE?

The *Plan* provides pre-retirement death benefits. If you die before you retire, the benefit payable from the *Plan* will depend on two factors:

- Did you have *Vested Service* on the date of your death. If you do not have *Vested Service* at the time of your death, no death benefits are payable.
- Did you have a *Spouse* on the date of your death.

(a) *With a Spouse on the Date of Death*

The *Plan* is designed to provide a benefit to your surviving *Spouse* if you die before retiring. If you have a surviving *Spouse* on the date of your death and you had *Vested Service*, your *Spouse* may receive a lifetime monthly benefit. The amount payable to your *Spouse* is the greater of:

- 66 2/3% of your earned benefit plus the amount you would have earned had you continued working to age 65. The amount of retirement benefit you would have earned from your date of death to your *Normal Retirement Date* is calculated assuming that your *Covered Hours of Employment* during each subsequent year is equal to the average number of hours worked by all active *Plan Members* for the year immediately preceding the year in which your death occurred; and
- The lifetime pension amount of *Actuarial Equivalent* value equal to 100% of the *Commuted Value* of the *Retirement Benefit* you had accrued at the date of your death.

The first payment to your surviving *Spouse* will be paid beginning with the first day of the month following your death and continue for the lifetime of your *Spouse*. No further payments will be made from the *Plan* following the death of your *Spouse*. All amounts payable are subject to the provisions of the *Alberta Employment Pension Plans Act* and the *Income Tax Act*.

As an alternative to receiving a monthly benefit, your surviving *Spouse*, provided you are under age 55 at the time of death, may elect to transfer the *Commuted Value* of the *Spouse's* pension to a Locked-In Retirement Account that is permitted under Provincial and Federal pension legislation.

The *Alberta Employment Pension Plans Act* permits your *Spouse* to waive entitlement to receive benefits upon your death prior to retirement by completing a prescribed form and filing it with the *Board of Trustees*. If your *Spouse* does waive this entitlement, death benefits will be paid to your named *Beneficiary* as if you did not have a *Spouse* on the date of your death, and your *Spouse* cannot be named as the *Beneficiary*.

Should your surviving *Spouse* (provided you were under age 55 at the time of death) wish to transfer the *Commuted Value* of the benefit, the transfer will be completed within sixty (60) days after the *Board of Trustees* has received all the required documentation and will be carried out in accordance with the terms of the *Alberta Employment Pension Plans Act* and the *Income Tax Act*.

(b) Without a Spouse on the Date of Death

If you do not have a *Spouse* on the date of your death and you had *Vested Service*, your named *Beneficiary* will receive a lump sum equal to 100% of the *Commuted Value* of your monthly *Retirement Benefit* earned up to the date of your death. If you do not have a named *Beneficiary*, the lump sum will be paid to your Estate.

Any benefits payable from the Plan as a result of your death are taxable except in the case where your surviving spouse transfers her/his entitlement to a LIRA.

What is Locking-In?

Locking-In is a requirement under Federal or Provincial pension legislation that vested pension benefits cannot be withdrawn in cash by members on termination of employment or until the member has reached a particular age (usually age 50 in Alberta). Your vested pension benefit must be used to provide you with lifetime retirement benefits.

What is a Locked-In Retirement Account (LIRA)?

A LIRA is a type of locked-in Registered Retirement Savings Plan (RRSP) where the funds must be used to purchase a life annuity or be transferred to a LIF by the end of the year you reach age 71, at the latest.

CAN MY PLAN MEMBERSHIP TERMINATE?

Your *Period of Active Membership* will be terminated for any reason, other than death or retirement, when you fail to have 350 *Covered Hours of Employment* with a contributing *Employer* within two consecutive *Plan Years*.

If your absence from work is due to any of the following reasons, your *Period of Active Membership* will not terminate:

- Military service;
- Illness or injury for which you have submitted medical proof which is satisfactory to the Board of *Trustees*; or
- Any other absence which has been approved by the Board of *Trustees*.

Example 1

Eric joins the *Plan* in November 2011. A summary of his *Covered Hours of Employment* is shown below:

<i>Plan Year</i>	<i>Covered Hours of Employment</i>
October 1, 2010 to December 31, 2011	400
January 1, 2012 to December 31, 2013	200
January 1, 2014 to December 31, 2014	175
January 1, 2015 to December 31, 2015	110

As of December 31, 2014, Eric was not considered terminated as he had over 350 ($200 + 175 = 375$) *Covered Hours of Employment* over the 2 previous consecutive years.

As of December 31, 2015, Eric had less than 350 ($175 + 110 = 285$) *Covered Hours of Employment* within the 2 consecutive year period. Therefore Eric's *Period of Active Membership* terminated as of December 31, 2015.

Example 2

Steve joins the *Plan* in December 2009. A summary of his *Covered Hours of Employment* is shown below:

<i>Plan Year</i>	<i>Covered Hours of Employment</i>	<i>Vesting Service (in Years)</i>
October 1, 2009 to September 30, 2010	400	1
October 1, 2010 to December 31, 2011	300	1
January 1, 2012 to December 31, 2012	110	0
January 1, 2013 to December 31, 2013	185	0

As of December 31, 2011, Steve had 2 years of *Vesting Service* and was therefore Vested.

As of December 31, 2013, Steve had less than 350 ($110 + 185 = 295$) *Covered Hours of Employment* within a 2 consecutive year period. Therefore Steve's *Period of Active Membership* terminated as of January 1, 2014. However, Steve has Vested Service as his date of termination and is therefore entitled to a *Retirement Benefit* from the *Plan*.

Example 3

Ken joins the Plan in December 1998. A summary of his *Covered Hours of Employment* is shown below:

<i>Plan Year</i>	<i>Covered Hours of Employment</i>	<i>Vesting Service (in Years)</i>
October 1, 1998 to September 30, 1999	100	0
October 1, 1999 to September 30, 2000	400	1
October 1, 2000 to September 30, 2001	200	0
October 1, 2001 to September 30, 2002	200	0
October 1, 2002 to September 30, 2003	300	1
October 1, 2003 to September 30, 2004	150	0
October 1, 2004 to September 30, 2005	175	0

Ken is given 1 year of *Vesting Service* for the period from October 1, 1999 to September 30, 2000. He is not considered terminated as he has more than 350 hours reported over the two year period from October 1, 2000 to September 30, 2002. He then gets another year of *Vesting Service* for the period from October 1, 2002 to September 30, 2003. His membership is terminated as at September 30, 2005 as he failed to have 350 *Covered Hours of Employment* within two consecutive Plan years ($150 + 175 = 325$). However, Ken has Vested Service and is entitled to receive a *Retirement Benefit* from the *Plan*.

Example 4

Allen joins the Plan in May 2013. A summary of his *Covered Hours of Employment* is shown below:

<i>Plan Year</i>	<i>Covered Hours of Employment</i>	<i>Vesting Service (in Years)</i>
January 1, 2013 to December 31, 2013	500	1 year
January 1, 2014 to December 31, 2014	200	0
January 1, 2015 to December 31, 2015	125	0

Allen is given 1 year of *Vesting Service* for the period from January 1, 2013 to December 31, 2013. He has 200 *Covered Hours of Employment* in 2014. He is not considered terminated as he has more than 350 hours reported over the two year period from January 1, 2014 to December 31, 2014. As he was still an *Active Member* at September 1, 2014 he comes immediately Vested and is entitled to a *Retirement Benefit* from the Plan when he terminates. He has 125 *Covered Hours of Employment* for the period January 1, 2015 to December 31, 2015.

Allen failed to have 350 *Covered Hours of Employment* within two consecutive Plan years (200 + 125 = 325). Allen is considered terminated as at January 1, 2016 and is entitled to a *Retirement Benefit* from the Plan.

WHAT HAPPENS ON TERMINATION OF MY PLAN MEMBERSHIP?

If you are under age 55, the administration office will send you a termination package 90 days after the Plan year end, when your *Period of Active Membership* terminates. The information given to you will include:

- The amount of your *Normal Retirement Benefit*, calculated using the most recent contribution information.
- Your options, if any, and the amount of *Retirement Benefit* related to such options.
- The amount of a lump sum benefit that is available in lieu of a monthly pension from the *Plan*, including the time period for which the lump sum benefit calculation will be held valid.
- The date upon which your completed application must be filed with the administration office for processing.
- Any forms that are required for the processing of your benefit.

If you have *Vested Service* and your membership in the *Plan* terminates before you reach age 55, you may choose to transfer the *Commuted Value* of your *Retirement Benefit* that is shown on your termination statement to:

- another registered pension plan if that plan will accept the transfer; or
- a Locked-In Retirement Account that is permitted under provincial and federal pension legislation; or
- a life insurance company to purchase an annuity.

The transfer of the *Commuted Value* of your benefit will be completed within sixty (60) days after the *Board of Trustees* has received all the required documentation and will be carried out in accordance with the terms of the *Alberta Employment Pension Plans Act* and the *Income Tax Act*. If you return to active employment before the transfer is complete, the option will no longer be available as your pension is deemed to be active again.

Once you choose to transfer the *Commuted Value* of your *Retirement Benefit*, you will receive no further benefits from the *Plan*.

Due to the use of current interest rates in the calculation of your benefit, time is of the essence when choosing to transfer the *Commuted Value* of your *Retirement Benefit*.

WHAT HAPPENS IF I RETURN TO WORK?

1. ***If You Return to Work Following Termination of Your Period of Active Membership***

If your *Period of Active Membership* is terminated and you later return to work for an *Employer*, the following provisions will apply:

- (a) If you did not maintain continuous membership in the *Union* throughout the period from the date your *Period of Active Membership* ceased and ending with the date you are re-employed by an *Employer*, or you transferred your benefit in respect of your prior *Period of Active Membership*:
 - (i) you will be treated as a new *Plan Member* with a new *Period of Active Membership* in respect of your service after re-employment; and
 - (ii) you will not be entitled to any benefit for your service prior to your re-employment date other than those that were vested at your prior date of termination and calculated according to the provisions of the *Plan* at your prior date of termination; and
 - (iii) if you did not transfer your vested benefit in respect of your prior *Period of Active Membership*, for purposes of determining your retirement eligibility and reduction in benefits, your *Credited Service* for each *Period of Active Membership* shall be based on the combined *Credited Service* for both *Periods of Active Membership*.
- (b) If you maintained continuous membership in the *Union* throughout the period from the date your *Period of Active Membership* ceased and ending with the date you are re-employed by an *Employer* and you did not transfer your benefit in respect of your prior *Period of Active Membership*:
 - (i) no termination of membership shall be deemed to have occurred and your service after your re-employment date will be considered as a continuation of your service from the prior *Period of Active Membership*; and
 - (ii) your *Retirement Benefits* earned prior to your re-employment date will be calculated in accordance with the *Plan's* provisions at the time your *Period of Active Membership* terminates.

2. ***If You Return to Work Following Retirement***

If you return to work with a participating *Employer*, you will continue to receive your monthly retirement benefit that you elected when you retired. Neither the amount nor the form of payment will be affected.

If you return to active employment with a participating Employer who is required under the terms of the *Collective Agreement* to remit Contributions on your behalf, you will be entitled to accumulate benefits on a *Defined Contribution* basis. The Board of Trustees at the time of receiving each actuarial valuation report will determine the portion of the contributions made by the Employer made in respect of *DC Members* which shall be allocated to *DC Members' Accounts*. The Plan will track the Defined Contribution amount for each Member and provide an annual statement. Interest will be credited on an annual basis.

When you subsequently retire you may elect to receive a lifetime pension equal to the amount that can be purchased with the value of your *DC Account* or you may elect to transfer the value of your account into a another locked-in retirement account.

If you should die before your subsequent retirement, the value of your *DC Account* will be transferred to a LIRA for your *Spouse* or paid as a lump sum less applicable taxes to a *Beneficiary* if you do not have a *Spouse* at the time of your death.

ARE MY CONTRIBUTIONS AND CREDITS FROM ANOTHER PENSION PLAN RECOGNIZED UNDER THE PLAN?

Yes, but only if the other pension plan has a *Reciprocal Agreement* which allows for:

- the transfer of contributions made on your behalf and/or pension credits earned under that pension plan to this *Plan*; and
- this *Plan* to receive the contributions made on your behalf and/or pension credits earned under the other pension plan.

WHAT IS A RECIPROCAL AGREEMENT?

A *Reciprocal Agreement* means an agreement entered into between the *Board of Trustees* and:

- The trustees of the pension trust fund and pension plan of another local of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada;
- The trustees of the pension trust fund and pension plan representing the members of another union; and
- Other pension plans so designated by the *Board of Trustees*

where such agreement provides for the transfer of either contributions or other sums equal to the *Actuarial Equivalent* of accrued benefits. Notwithstanding the foregoing, such agreements must comply with the requirements of the *Income Tax Act* and the *Alberta Employment Pension Plans Act*.

Before any transfer of contributions made on your behalf and/or pension credits can be made, you will first need to know whether or not a *Reciprocal Agreement* is in place and the terms of such Agreement. You should contact the administration office for assistance and information regarding a transfer of your pension credits and/or contributions made on your behalf. The administration office staff will provide you with the required forms and will advise you of any documentation which may be required.

HOW WILL I KNOW WHAT MY BENEFITS ARE FROM THE *PLAN*?

The administration office handles all the day-to-day administration and recordkeeping functions of the *Plan* which includes tracking all of the hours contributed which have been received by the *Fund* on your behalf along with information regarding your work history as it relates to your *Retirement Benefit*. The calculation of your *Retirement Benefit* will be made on the basis of the records kept by the administration office and verification with your *Employer's* or the *Union's* records, as required.

Each year the administration office will send you a statement which will provide you with the details concerning your *Retirement Benefit* from the *Plan*. The information provided in your annual statement will include the number of hours reported for you, the *Employer* who reported the hours, the employment period for which the hours were reported, and your accrued *Retirement Benefit*.

Your annual statement is an important document. When you receive your statement, you should review it carefully. If you discover an error, or if you have any questions about the contents of the statement, you should contact the administration office immediately.

Be sure that the administration office has your current mailing address so that you will receive your annual statement and any other correspondence regarding your *Retirement Benefit*.

HOW DO I APPLY FOR BENEFITS?

Payment of any type of benefit from the *Plan* is not automatic. In order to receive a benefit from the *Plan*, you must first contact the administration office and request an application package. Within thirty (30) days of your request, the administration office will provide you with the appropriate package for the type of benefit you are applying for. The package will contain the required application form, instructions for completion and if applicable, you will be given a date by which the completed forms and all the necessary documentation need to be returned to the administration office. You will be required to submit photocopies of the following documents:

- Proof of age for yourself;
- Proof of age for your *Spouse*;
- Marriage Certificate;
- Your *Spouse's* Social Insurance Number;
- Bank Authorization for Direct Deposit; and
- Your United Association Member Card.

Payment of your benefit will not begin until you have submitted the completed application form and all of the required documentation has been received by the administration office. Once your completed application is received, it will be reviewed and verified for accuracy. The staff at the administration office will calculate the amount of the *Retirement Benefit* that is payable to you. A statement will be provided to you that will outline the amount of your *Retirement Benefit* and the amounts of any optional forms of payment, if any, available to you. Once you have returned the required documentation to the administration office and you have made your payment option election, your completed application will be submitted to the *Board of Trustees* for final approval prior to any payments being made from the *Plan*. As this process usually takes a few weeks to complete, you should contact the administration office at least 90 days before the date you are planning to retire.

IN THE EVENT OF MY DEATH HOW DOES MY *SPOUSE* OR *BENEFICIARY* APPLY FOR BENEFITS?

Following your death, your surviving *Spouse* or *Beneficiary* should contact the administration office in writing and submit a copy of your death certificate. Within thirty (30) days of receipt of notification of your death, your surviving *Spouse* or *Beneficiary* will be asked to complete an application for benefits and will be asked to submit any additional information that is required.

Your *Spouse* or *Beneficiary* will be provided with the amount of benefit payable, an explanation of the benefit payable and any option which may be available under the *Plan* and the deadline for choosing such option and the consequences, if any, for not responding within the specified timeframe.

DOES MY MEMBERSHIP IN THE *PLAN* AFFECT MY INCOME TAX?

The contributions made by your *Employer* to the *Fund* on your behalf are not considered taxable income to you and you will not receive a tax deduction.

If you are eligible for, and request that, the *Commuted Value* of your benefit be transferred directly to a Registered Retirement Savings Plan (RRSP) or any other similar savings arrangement, the transfer will be made "tax free".

The *Income Tax Act* requires that contributions that are made to the *Fund* on your behalf for the prior year reduce the amount you are allowed to contribute to a Registered Retirement

Savings Plan (RRSP). This reduction is called a Pension Adjustment (PA). The PA controls the amount that you can contribute to your own personal or spousal RRSP. Each year the T-4 that you receive from your *Employer* will show the amount of your PA. The PA is equal to the amount contributed by your Employer on your behalf, to the *Fund*. Your RRSP maximum contribution limits are governed by the *Income Tax Act* as shown below:

The lesser of:

- (a) 18% of your prior year's earned income minus your PA; and
- (b) The specified dollar limit for the taxation year

2013	\$23,820
2014	\$24,270
2015	\$24,930
2016	\$25,370 and indexed to the Average Industrial Wage thereafter

What is my Earned Income?

Your earned income is the sum of your employment income, alimony, maintenance and support payments, disability benefits received from the Canada Pension Plan, a benefit received from a registered supplementary unemployment benefit plan and net rental income from real property.

For example

In this example we will calculate your maximum RRSP contribution for the year 2015. If your earned income in 2015 was \$55,000 and your Pension Adjustment was \$1,500, your maximum RRSP contribution for 2015 is calculated as follows:

$$\begin{aligned} \$55,000 \times 18\% &= \$9,900 \\ \$9,900 - \$1,500 &= \$8,400 \end{aligned}$$

You have until February 29, 2016 (most years you have until March 1st) to make a contribution to your RRSP of any amount up to \$8,400 and have that contribution applied as a deduction on your 2015 income tax return. If you do not make a contribution to your RRSP, or if you make a contribution to your RRSP which is less than the maximum, you can make up the contribution at some point in the future.

HOW DOES THE PENSION *PLAN*'S SOLVENCY AFFECT MY BENEFIT?

What is Meant by "Pension Plan Solvency"?

In referring to a pension plan's solvency, we mean the ability of a pension plan to meet its present and future obligations, or, in other words, whether the pension plan is adequately funded in order to pay the promised benefits to its members, former members and retirees. The *Plan's Actuary* will perform what is known as a solvency valuation which is a comparison of the *Plan's* assets and liabilities. The solvency valuation assumes that the *Plan* will terminate on the date of the valuation. The solvency valuation will determine whether the *Plan* has sufficient assets at that date to pay the pensions currently in pay and those earned by its *Members* as of that date.

Depending on the solvency position of the *Plan*, and due to restrictions under the Alberta *Employment Pension Plans Act*, there may be a portion of your benefit which is not immediately paid and will be held back and will be payable at a future date, with interest. If any amount of your benefit is going to be held back you will be notified in advance of the following:

- The total amount of the benefit payable by the *Plan*,
- The amount of the benefit which is payable immediately,
- The amount of the benefit which will be held back,
- The interest rate that is payable on the amount of the benefit being held back,
- The period of time by which the amount being held back and interest will be paid, and
- The reason for the holdback.

Will a Portion of My Benefit be Held Back?

As at December 31, 2014, the *Plan's* solvency ratio was 96% or 0.96. The solvency ratio is the ratio of the *Plan's* assets compared to the *Plan's* solvency liabilities. In accordance with the Alberta *Employment Pension Plans Act*, 96% of the *Commuted Value* of a *Retirement Benefit* may be paid out immediately upon termination of membership in the *Plan* and receipt of your application for a Termination Benefit. The balance will be paid at the earlier of five years from the initial payment or restoration of the *Plan's* solvency ratio to 1.00.

At the current time the *Plan* has sufficient funding available so that 100% of the *Commuted Value* can be paid. However, the *Board of Trustees* reserves the right to change the method of payment of the *Commuted Value* to address any future funding deficiency.

In December 2014, the Alberta government approved a change to the *Employment Pension Plans Act* which allows defined benefit collectively-bargained, multi-employer plans, such as this *Plan*, to continue a moratorium on solvency funding until permanent legislation addressing this concern is in place. The *Plan* submitted an Application for Solvency Funding Exemption for a

Collectively Bargained Multi-Employer Plan (CBMEP) in early 2015 and it was accepted by Alberta Treasury Board and Finance.

WHAT HAPPENS IF I DIVORCE OR SEPARATE FROM MY SPOUSE?

In the event of a breakdown of your marriage or common law relationship, your former *Spouse* may be entitled to receive a portion of the *Retirement Benefit* which you have earned from the *Plan*. Usually, this means a splitting of the *Retirement Benefit* you earned from the *Plan* during the period of your marriage or cohabitation. It is important that you inform the administration office if you have divorced or separated from your *Spouse* and provide any documentation which will be required in order that the amount of *Retirement Benefit* is paid appropriately.

Any benefits payable under the *Plan* which are subject to division according to the entitlements of a former *Spouse* arising from a *Separation Agreement*, or similar order, will be determined and paid in accordance with the provisions of the *Alberta Employment Pension Plans Act*.

MAY I VIEW THE PENSION PLAN'S OFFICIAL DOCUMENTS?

Yes. Within 30 days of submitting a written request to the *Board of Trustees*, if you are entitled to a benefit from the *Plan*, you or your agent have the right to examine:

- (a) a provision of the *Plan* that is/was in force on any date included in a period during which you are a Member of the *Plan* or a former Member of the *Plan*, that affects your benefits under the *Plan*,
- (b) any document that concerns conditions of your employment and that contains provisions relating to the *Plan*,
- (c) any *Trust Agreement*, or resolution relating to the *Plan*,
- (d) the two (2) most recent certificates or returns, which have been filed with the pension regulators,
- (e) the most recent explanation or summary of the *Plan*, including amendments to the *Plan* that relate to your benefits or entitlements from the *Plan* or any subsequent amendments,
- (f) the three (3) most recent audited financial statements of the *Fund*,
- (g) the three (3) most recent Annual Information Returns (AIRs),
- (h) any *Participant Agreement* that is relevant to you,
- (i) the current Statement of Investment Policies and Procedures, including any amendments, or a summary of it,
- (j) the funding and governance policies, and
- (k) the wind-up report in the event that the *Plan* is to be terminated, except any portions of the report which states the benefit of individual *Plan Members*.

The *Board of Trustees* may, for a nominal fee, provide you with a copy of the document(s) that you have requested to examine.

WHO ADMINISTERS THE PLAN?

The *Plan* is administered by a *Board of Trustees*. The *Board of Trustees* has overall responsibility for the Pension Trust Fund including supervision of the administration services provider, the investment managers and other delegates in the governance process.

The *Board* is made up of:

- Four Trustees elected by Local 488 members; and
- Three independent Trustees selected by a nominating committee comprised of a representative of Local Union 488 and Construction Labour Relations – Alberta (CLRa). Included in this group is the Independent Chairman.

MAY I ASSIGN MY BENEFITS UNDER THE PLAN?

No, your *Retirement Benefit* under the Plan cannot be assigned. You cannot use your *Retirement Benefit* as collateral when applying for a loan. Most provinces have the right to garnishee retirement benefits if support or maintenance payments are in default. Federal legislation also permits the garnishment of retirement benefits for income tax arrears.

HOW IS THE PLAN FUNDED?

The amount of money that will be paid into the pension fund is negotiated between the union and the participating employers at the time collective bargaining occurs. Once the contribution rate has been set, the amount of monthly pension that can be provided is calculated by the Plan's *actuary* based on a number of factors such as:

- Expected contributions to be received (based on expected hours worked);
- Expected rate of return on investments;
- Average age of *Plan Members*;
- Mortality assumptions; and
- Expenses.

CAN THE PLAN BE CHANGED OR TERMINATED?

It is expected that the *Board of Trustees* will maintain the *Plan* indefinitely. However, the provisions of the *Plan* are subject to change and the *Board of Trustees* does have the right to amend the *Plan* from time to time as it deems appropriate and in the best interest of *Plan Members* and *Beneficiaries*. All changes to the *Plan's* provisions are submitted to Canada Revenue Agency and Alberta Treasury Board and Finance for approval. No amendment to the *Plan* shall result in a reduction of your *Retirement Benefits*, unless the reduction is allowed, and has been approved, by the Federal and/or Provincial regulators. The *Board of Trustees* will endeavor to keep you up-to-date and inform you of any changes in the *Plan's* provisions.

In the unlikely event that the *Plan* is terminated, you will still receive your *Retirement Benefit*, as long as the funds are available to pay these benefits. The *Plan's* assets would first be used to pay any administrative expenses and then to pay *Retirement Benefits*. Any surplus assets remaining would then be divided proportionately among all *Plan Members*, *Retired Plan Members*, surviving *Spouses* and *Beneficiaries*.

These questions and answers are only brief explanations of some of the major provisions of the *Plan*. Should there be any conflicts between these summaries contained in this booklet and the provisions of the official *Plan* documents, the provisions of the official *Plan* documents and the applicable legislation will apply. When you are considering retirement, or any time that you have questions, you should contact the administration office where a staff member will be pleased to assist you.

PRIVACY POLICY

The Edmonton Pipe Industry Pension Trust Fund and *Plan* and The Edmonton Pipe Industry Health and Welfare Fund and *Plan* (hereinafter referred to as the “*Plans*”) provide certain pension and health care benefits to covered members and their families.

In order to provide these benefits, including the determination of eligibility for benefits, the *Plans* collect, use, disclose and retain personal information that is protected under provincial and federal legislation. The *Boards of Trustees* of the *Plans* are committed to the protection of personal information and have implemented oversight procedures to ensure that they protect personal information.

The Privacy Policy of the *Plans* applies to:

- a) The Board of Trustees
- b) Any third party retained by the Boards of Trustees to whom personal information is provided.

Personal information that may be collected for the purpose of management of the *Plans* includes the following information about any active, retired, deceased or terminated member and any member of their families who is, may be, or was eligible for benefits:

- Name
- Date of birth
- Social insurance number
- Marital status
- Income
- Dental and health treatments
- Medical test results
- Disability.

The protection of personal information will be governed at all times by the Personal Information Protection and Electronic Documents Act S.C. 2000 c.5 as amended from time to time, the Personal Information Protection Act S.A. 2003 C.P 6.5 and other applicable legislation.

Privacy Procedures

Whereas the *Plans* may retain third parties for the day to day processing and administrative tasks required for the management of the *Plans*, the Trustees have implemented the following high-level privacy procedures:

1. The Trustees will ensure that the *Plans* request only the personal information that is necessary to be collected for the management of the *Plans*.
2. The Trustees will ensure that the *Plans'* administrative practices provide that members or others providing personal information about themselves or their dependents, give their consent for the collection, use, disclosure, retention and, when such information is no longer needed for the management of the *Plans*, destruction of personal information.

Consent will not be accepted from third parties unless the person giving consent is an authorized legal representative or guardian (for example a parent of a dependent child or someone who has a power of attorney).

3. If there is a medical, legal or other emergency, the Trustees' Privacy Procedures will allow personal information to be collected, used, disclosed and retained without consent.
4. The Trustees will ensure that any third party retained by the *Boards* of Trustees to provide services to the *Plans* is bound, in writing, to conform to relevant legislation protecting personal information. For greater certainty, this procedure applies to the following suppliers to the *Plans*:
 - The Actuary
 - The Administration Services Provider
 - Legal Counsel
 - Financial Institutions including Banks or payroll processing firms
 - Insurers
 - Parties to Reciprocal Agreements
 - UA Local 488
 - Edmonton Pipe Trades Education Trust Fund
 - Registered Employer Organizations
 - Such other organizations that are retained by the Trustees which have access to the personal information of the *Plan* members and/or dependents.
5. The Trustees are committed to transparency. *Plan* members will be advised of the Trustees' Privacy Policy and any updates to it. In addition, *Plan* members will be allowed to review the personal information on file for them. *Plan* members will be allowed to advise the Trustees, or anyone holding the relevant personal information, if the information is not accurate. When inaccurate information is found, the Trustees will ensure that it is corrected.
6. *Plan* members will be informed about the Privacy Officer and how to contact the Privacy Officer.

7. In the case of appeals to the Trustees for re-consideration of a decision made by a supplier to the *Plans*, the Trustees will require that the affected *Plan* member give consent for the Trustees to review personal information necessary for them to effectively consider an appeal.
8. The Trustees have appointed a Privacy Officer who is accountable to the *Boards* of Trustees for compliance with relevant privacy legislation. The Privacy Officer is Richard McAteer.

THE EDMONTON PIPE INDUSTRY PENSION PLAN

Administration Office

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