Unifor Multi-Employer Pension Plan

Member Booklet

Mission Statement

The main purpose of the Unifor Multi-Employer Pension Plan
is to provide a well-managed retirement pension program
enabling Unifor members to accumulate part of their
total retirement income generated from
negotiated employer contributions.

Contact Information:

To update your mailing address or other information, please contact **416-635-6000 or 1-800-663-4500** and ask for the Unifor administrator, or send an email to: **unifor@globalben.com**

You can also visit **www.uniformepp.org** for more information and instructions on how to register online in order to stay up to date with your pension plan.

January 2024

Unifor Multi-Employer Pension Plan

For information about the pension plan, call or write the Plan Administrator:
Baartman Consulting c/o Global Benefits
191 The West Mall, Suite 901

Etobicoke, ON, M9C 5K8
Phone # 416-635-6000
Toll-free:1-800-663-4500

Your Union:
Unifor
115 Gordon Baker Rd
Toronto, ON M2H 0A8
Phone # 416-497-4110
Toll-free:1-800-268-5763

Mailing Instructions:
When writing to the Administrator or the Union, please enclose the following information:

(a) Your name as listed on your employer's payroll
(b) Your home address and telephone number
(c) Your Social Insurance Number
(d) Your local union's number
(e) Name of your employer and plant location

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Foreword

We are pleased to present you with this booklet which describes your negotiated pension plan including changes in its provisions as at January 1, 2024. Note that the provisions outlined in this booklet apply to active members only. If you are a former member of the Plan, different provisions may apply. Please contact the Administrator for the actual provisions that apply to you.

The objective of this Plan is to help provide financial security following retirement for eligible employees represented by Unifor.

The Plan became effective on October 18, 1967 and operates under the supervision of a Board of Trustees with an equal number of Employer and Union trustees.

The Plan is paid for mostly by contributions from employers through collective bargaining. These employer contributions vary according to the terms agreed upon in each individual collective bargaining agreement. The plan also permits employees to contribute and thus increase their pension benefit.

This Plan is designed to accommodate the various contribution rates and provide members with a Target Benefit (in the form of a monthly pension) that can be sustainably generated from the contributions. The long-term sustainability of the current benefit levels is dependent on investment performance and other factors. As such, the plan's Target Benefit levels may need to be reduced (for example, if long-term investment performance is consistently less than assumed), or increased (at the Trustee's discretion, if investments outperform expectations).

The Trustees wish to assure you that they will continue to carefully administer the pension plan in consultation with advisors so that maximum benefits may be provided from the contributions made to this pension plan.

You should know that the pension plan is regulated by provincial and federal legislation. Regular periodic reports are required by the provincial government as proof that the pension plan is being operated on a sound basis.

This booklet describes the main features of the Plan as at January 1, 2024. It is not a substitute for the Plan's official provisions which may be amended by the Trustees from time-to-time. All rights to benefits are governed by the official plan text as registered with the authorities.

Unifor Multi-Employer Pension Plan

How Does an Employer Participate in the Plan?

Employers can participate in the Plan by negotiating with the Union through the collective bargaining process. Both parties would agree on a fixed contribution to be paid by the employer. The details of the payment requirements of such contributions are outlined in the applicable collective agreement.

What Are an Employer’s Obligations Under the Plan?

An employer’s obligations may be summarized as the timely payment of contributions (contributions for each month are due within 30 days of the end of the month), providing a breakdown of the contributions credited for each employee to the administrator each month, providing to the administrator information about new employees and about terminating employees, and cooperation in having terminating and retiring employees complete application forms for any benefits to which they may be entitled.

How Do I Join the Plan?

You became a member of the Plan on the first day of the month immediately following six months of working for a participating employer who has paid contributions to the Plan on your behalf for such six months in accordance with a collective agreement.

How are My Plan Benefits Determined?

Your annual pension is determined based on the amount of contributions made on your behalf (see page 5 of this booklet for more details).

What Are Units?

The Plan was formerly divided into two separate units. Historically, each unit had its own benefit levels based on the characteristics of the participating employees in the unit. Over time, benefit levels have changed such that the main benefit accrual formula is now the same for both units going forward. However, certain historical and ancillary benefits may still differ by unit, especially for members who joined prior to 1992. The majority of the remaining active members are from “Unit 2”.

Who Pays For the Cost of the Plan?

Under the collective agreement, your employer is required to make contributions to the UNIFOR MULTI-EMPLOYER PENSION FUND. These contributions are paid at the rate and under such terms as set out in the collective agreement negotiated from time to time between your employer and the Union. No other contributions are required since all administration costs are paid by the Plan.

However, the Plan now allows for employee contributions (subject to certain rules and regulations). Unifor Locals wishing to have employee contributions must negotiate within their Collective Agreements (either in bargaining or in a Letter of Understanding) the terms of such employee contributions, but in any event, the minimum contribution level shall be two (2) percent of earnings as defined by the Collective Agreement. Employee contributions shall be made through payroll deductions.

What is Credited Service?

Credited service is the period of time during which contributions are required to be made on your behalf to the Plan.

How much is the Pension Benefit?

The amount of your past Pension Benefit depends on which unit you belong to. In general, the Plan provides for an annual service Target Benefit pension equal to a fixed percentage for each dollar of contribution made on your behalf to the UNIFOR MULTI-EMPLOYER PENSION PLAN. This fixed percentage is the Pension Rate referred to below. In addition, bonus pension amounts may be declared from time to time if the Plan has better than expected return on its investments. This increase in pension must be approved by the Trustees.

<u>Pension Rate:</u>

20.8% of contributions made to the Plan on your behalf up to December 31, 2007, plus;
20.9% of contributions made during 2008, plus;
14.25% of contributions made from 2009 - 2011 (inclusive), plus;
12% of contributions made after December 31, 2011.
Prior to January 1, 1992, different Pension Rates apply to Unit 1 members.

How do I calculate my pension?

The following are two examples of how you can go about estimating the amount of your pension at retirement:

Example 1:

Let's assume you enter the Plan at age 30 and the average negotiated contribution rate is $1.25 per hour during all your years of participation in the Plan. Assuming that the average Pension Rate is 15% and you work on average 2,000 hours per year, then your pension payable from age 65 would be calculated as follows:

- Total contributions for one year of service = Contribution rate x Hours worked
  = $1.25 x 2,000 hours
  = $2,500

- Monthly Pension for one year of service = Total contributions x Pension rate x 1/12
  = $2,500 x 15% x 1/12
  = $31.25 per month

- Pension at Age 65 for all years of service = Total contributions x Pension Rate x 1/12
  = $2,500 x 35 years x 15% x 1/12
  = $87,500 x 15% x 1/12
  = $1,093.75 per month

Example 2:

Let's assume you enter the Plan at age 30 and the negotiated contribution rate is 5% of your earnings during all your years of participation in the Plan. Assume that the average Pension Rate is 15% and you earn an average of $60,000 per year, then your pension payable from age 65 would be calculated as follows:

• Total contributions for one year of service	=	Contribution rate x Annual earnings
	=	5% x $60,000
	=	$3,000
• Monthly Pension for one year of service	=	Total contributions x Pension rate x 1/12
	=	$3,000 x 15% x 1/12
	=	$37.50 per month
• Pension at Age 65 for all years of service	=	Total contributions x Pension Rate x 1/12
	=	$3,000 x 35 years x 15% x 1/12
	=	$105,000 x 15% x 1/12
	=	$1,312.50 per month

The above examples assume that there will be no future change in the contribution rate and that the Pension Rate would be equal to 15% of contributions on average for all past and future years. In actual fact, these rates will vary from year to year and from unit to unit. Your actual pension will be higher or lower than shown above.

When Can I Commence my Retirement Pension?

The earliest that you can commence your retirement pension is at age 55 and the latest is at the end of the year in which you reach age 71. If you commence your retirement pension on or after age 65, you will be entitled to receive your full pension (no reduction). If you do not retire at age 65 but continue working, you will continue to earn pension in the usual manner and your pension will commence after you stop working or at the end of the year in which you reach age 71, if earlier.

If you retire before age 65, the amount of your early retirement pension will be equal to the Plan's pension benefit reduced by ½ % for each month that you retire earlier than age 65 but not greater than the reduction applicable to provide a pension that is equivalent in value, as determined by the Plan's actuary, to the value of the normal pension payable starting from age 65.

The following schedule shows the maximum reduction applicable if early retirement occurs at ages 55 to 65:

Age at Retirement	Total Maximum Early Retirement Reduction
55	60%
56	54%
57	48%
58	42%
59	36%
60	30%
61	24%
62	18%
63	12%
64	6%
65	0%

Note: The actual Early Retirement Reduction may be less than shown above depending on applicable interest rates at the time of your retirement.

Does the Plan Provide Any Bridging Benefits?

To assist members who retire early, the Plan provides an alternative form of pension that allows members to equalize their income from the Plan and government pensions. Under this "level income" option, a member may elect a higher pension to age 65 in exchange for a lower pension after age 65 when government pensions become payable.

May I Retire if I Become Disabled?
If you become disabled after age 50 or at any age after completion of 10 years of pensionable service, you may retire on a disability pension. This will be equal to the full amount of pension you have earned to your disability date less any income from Workers' Compensation in excess of $200 per month with respect to this disability and less disability income, if any, prior to age 65 from your employer's group life and health insurance plan. To qualify, your disability must be total and permanent. If you are entitled to a disability pension from the Canada Pension Plan, you automatically qualify for a disability pension.

What if I Work After Retirement?
If you still do some work with a participating employer while you are receiving a pension from the Plan, any contributions that are paid into the Plan on your behalf while you are collecting a pension from the Plan will be refunded to you once you stop working (you will need to contact the Plan Administrator once you stop working to apply for the refund). As required by the Income Tax Act (Canada), no refund may be granted to members for any contribution after the year in which you reach age 71.

What if I Die Before Retirement?
Should you die before you start receiving your pension, a death benefit will be paid equal to the total value of your pension earned to the date of your death.

The death benefit is paid to your spouse or, if you die without leaving a spouse, is paid to your beneficiary.

You should name a beneficiary to receive benefits under the Plan if you die without leaving an eligible spouse. You may also change your beneficiary from time to time to the extent permitted by law. If you die without leaving an eligible spouse or beneficiary, any payments which may be payable after your death will be made to your estate.

Who Is My Spouse for the Purposes of This Plan?
A spouse, for purposes of benefits under this Plan, is a person living with you at the time of your death or retirement, whichever comes first, who is:

(a) married to you by a valid religious or civil marriage, or

(b) recognized as your common-law spouse under the laws of the province in which you reside.

A person who becomes your spouse following your retirement under the Plan does not qualify for any benefits other than those you provide by naming that person as your beneficiary.

What is the Normal Form Of Pension?
The normal form of pension is your regular monthly pension payable for as long as you live. In any event, the Plan guarantees that pension payments made on your behalf will not be less than 120 payments for Unit 1 members or 60 payments for Unit 2 members.

What Alternative Forms of Pension Are Available?
You may elect the following alternative types of pension of equal value by advising the Trustees before your retirement:

(a) a slightly higher pension payable for your lifetime only with no minimum payment guarantee;

(b) an adjusted pension payable for your lifetime and guaranteed for at least 5, 10 or 15 years;

(c) a reduced pension payable for your lifetime in exchange for a spousal pension after your death (60%, 66⅔%, 80% or 100%); or

(d) if you retire early, a bridge pension to age 65 in exchange for a lower pension after age 65 to help you level out your income inclusive of your government pensions.

Important Notice - Please note that if you have an eligible spouse at retirement, you will be required by law to elect an alternative form of pension that would provide you with a reduced pension but which would provide your spouse with a spousal pension of not less than 60% of the monthly amount being paid to you, payable to your spouse after your death for the lifetime of your spouse. If you wish, however, to elect a form of payment which does not provide your spouse with at least this amount of monthly pension, you must obtain your spouse's consent by asking your spouse to sign a spousal waiver form.

What Happens With Small Pensions?
If you become entitled to a small pension (amount varies from province-to-province) the Trustees may pay the commuted value of your pension in a cash lump sum payment.

Is My Pension Indexed?
Pensions are not automatically indexed to inflation. The Trustees, however, may increase pensions on an ad hoc basis, subject to availability of funds.

How Do I Apply For Benefits?
Shortly before your retirement date, preferably three months, you are required to file an application for your pension with the Plan's Administrator. You will then receive a statement showing the amount of your pension benefit and the optional pensions available to you. The Plan's Administrator will be pleased to assist you in preparing for your retirement.

When you retire, you must furnish evidence of the date of your birth and that of your spouse (where applicable) – the Plan administrator will provide you with more details on what type of documentation is required.

What Happens If I Stop Working For A Participating Employer?
After you have completed the requirements for membership in this Plan and you stop working for an employer who contributes to the Plan, you will be entitled to a deferred pension commencing at age 65 equal to the pension benefit earned by you to the date of your termination.

For the above purposes, your employment with the Plan's participating employers will be deemed to have terminated when no contributions have been made to the Plan on your behalf for 12 consecutive months. For residents of British Columbia and Manitoba, your employment will be deemed to have terminated after the later of 12 consecutive months of no contributions or a period of two years without completing 350 hours of employment.

Prior to age 55, terminated members may elect to transfer the funded value of their deferred pension to a personal locked-in registered retirement savings plan.

May I Assign My Benefits Under The Plan?
You may not assign your benefits under the Plan but you may appoint a beneficiary for your death benefit. Upon marriage breakdown, however, you may assign to your former spouse a portion of the pension you accrued under the Plan during the period you were spouses. The Plan is also required by law to recognize claims in satisfaction of an order for support or maintenance enforceable in Canada.

Is There Any Outside Supervision of the Plan?
The Plan has been registered with the federal authorities for tax purposes and it is supervised by the relevant provincial regulator to ensure that the rights of members are safeguarded. Active members and retirees / pensioners receive annual pension history statements (issued by June 30th of each year) that outline your entitlements in the Plan, along with other useful information and updates.

What Income Tax Is Payable by Pension Recipients?
Benefits from the Plan are taxable as income when received.

Can the Plan Be Changed?
The Trustees may revise the Plan whenever a revision is deemed by them to be in the best interest of members and their beneficiaries. All revisions must be registered with the Canada Revenue Agency of the Government of Canada and the Financial Institutions Commission of British Columbia. Furthermore, as a Target Benefit Plan, regulations may require the reduction of benefits if the Plan’s assets fall too far below a certain threshold.

Who Owns Surplus?
Any surplus belongs to Plan members and cannot be refunded to participating employers. Any surplus remaining in the Plan upon wind-up will be used to provide additional benefits to the members.

To What Extent are the Plan's Benefits Guaranteed?
The rights of members and all other persons entitled to any benefit from this Plan are supported solely and limited to the total of the Pension Fund's assets. The Trustees invest such assets in accordance with the law. The Trustees intend to continue the Plan indefinitely. However, if the Plan is terminated and a wind-up occurs, all the assets of the Pension Fund, including any surplus, will be used to provide benefits for members. As a Target Benefit Plan, if assets are less than the value of benefits promised at any time, benefits may have to be reduced. There is no third party that is obligated to cover any shortfall.

Who Administers the Plan?
The Plan is administered by Baartman Consulting c/o Global Benefits under the supervision and direction of the Trustees. Any member who wishes to appeal any action by the Plan's Administrator must notify the Trustees by letter addressed to the Administrator's office. Such person may be given an opportunity to appear before the Trustees. The decisions of the Trustees are final and conclusive and binding on all persons.