IAM WESTERN CANADA PENSION PLAN

PENSION PLAN SUMMARY

UPDATED MARCH 2026

MISSION STATEMENT

The Trustees of the IAM Western Canada Pension Plan shall use all their individual and combined skills, to deliver targeted benefits to all Plan members so that they are reasonably stable, while meeting all governing legislation.

The Trustees shall act in a transparent manner in the best interests of and reporting to all members. To this end, the Trustees are committed to continual growth through relevant educational developments, seeking expert, professional guidance, as well as communicating with and acting consistently in the best interests of Plan members.

INFORMATION REGARDING THE BOOKLET

This booklet is for members who enrolled in the plan after 2010. *If you enrolled in the plan prior to 2011, please contact the plan administrator for a different version of this booklet.*

This booklet is a summary of the key provisions of the Plan that were in place on the date shown on the cover. For updated rules and for details of your specific pension, please contact the plan administrator:

Convyta Partners LP
501 – 4445 Lougheed Hwy
Burnaby, BC V5C 0E4
Toll-Free: 1-844-565-6692
E-mail: machinists692@convyta.com

If there is any omission in this booklet or a conflict between this booklet and the wording in the plan text and trust agreement, the plan text and trust agreement will prevail.

CONTENTS

Welcome to the IAM Western Canada Pension Plan

The Trustees are pleased to provide you with an overview of the IAM Western Canada Pension Plan, called “the plan” in this booklet.

Plan Introduction

The plan has been registered with Canada Revenue Agency (CRA registration #0345751), and as plan number P085617 with the Pension Department of the BC Financial Services Authority, the provincial government agency that administers and enforces the *Pension Benefits Standards Act* (PBSA). The name of the plan changed from The Machinists’ Pension Plan, Lodge 692 to the IAM Western Canada Pension Plan in 2026.

This plan covers members of the International Association of Machinists and Aerospace Workers (the “Union”) who work for employers who have entered into a collective agreement that requires contributions to the plan.

This type of plan is known as a collectively bargained multi-employer pension plan. It is also a hybrid target benefit pension plan, which means that you are provided a lifetime pension based on your own contribution account when you retire.

When you retire, your contribution account will be pooled with that of all other plan retirees and converted to a pension payable for your lifetime. When you begin your pension, you will know how much you will receive each month.

Thanks to the pooling of risk, how long you live will not affect how much you receive each month, unlike an RRSP or a typical defined contribution plan; <u>*you cannot outlive your pension from this plan*</u>.

The amount of pension you receive at retirement will depend on several key factors:

- how many hours you work with contributions made in your name
- investment returns before you retire
- projections of your lifespan at retirement
- assumed future rate of return at retirement

You can increase your pension by making additional voluntary contributions that will benefit from the same investment performance as the pension fund.

As this is a target benefit plan, your pension benefit can change (increase or decrease) periodically depending on the plan's financial health. See the Plan Funding section for additional details.

The main goal of the plan is to provide a monthly pension to you when you reach retirement age. However, if you leave the industry before age 55, you may also have the option of transferring the value of your pension to your new employer's pension plan, or to another retirement savings arrangement. The plan also provides benefits if you become totally and permanently disabled, terminally ill or if you die before retiring.

Can I withdraw my money?

As noted above, you become eligible for your benefit only when you retire, die, become very ill or disabled, or reach terminated vested status in the plan, as explained later in this booklet. The exception is voluntary contributions. You may withdraw voluntary contributions at any time.

Eligibility and Membership

You can join the plan once you have completed the waiting period, if there is one, outlined in your collective agreement. You must also complete and return an enrolment form to the administrator.

Your responsibilities

Keep information up to date

Once you have completed an enrolment and beneficiary form and are a member of the plan, you are responsible for keeping your information up to date with the plan (even after you cease active membership), including the following:

- mailing address / email / phone number
- beneficiary information

Updates can be provided to Convyta Partners, the plan administrator (contact information is provided on the back cover of this booklet).

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

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

Stay informed

There are plenty of opportunities to learn more about your plan. Each year, you will receive an annual pension statement noted above, as well as a newsletter summarizing plan changes and providing retirement-related articles.

You also have the right to review plan documents; see the plan information section later in this booklet.

A website with general information related to the plan is available, as well as an online member portal which provides information related to all your historical information and details regarding your pension (including contribution history and your last annual statement). The links to these websites are on the back of this booklet.

In order to register on the online member portal, you will need your Social Insurance Number and email address handy. Please contact the administrator if you have any difficulties registering.

Designate and change a beneficiary

When you enroll in the plan, you will need to complete a beneficiary designation form. Your beneficiary will receive any benefits payable if you die.

However, if you have a spouse, pension law requires that your spouse receive any benefits payable from the plan upon your death, unless she or he has signed a Spousal Waiver Form waiving this right. Naming another individual as your beneficiary does not override your spouse as beneficiary unless the Spousal Waiver Form is filed.

If you don't have a spouse (or your spouse has completed the waiver), you may designate anyone as your beneficiary. You may also designate several people, or even an organization as your beneficiary. You may also designate an irrevocable beneficiary or change your beneficiary designation at any time without the consent of your former beneficiary. Please note that you must also appoint a trustee for any beneficiary you designate who is under the age of 18.

Once your beneficiaries have been chosen, please also provide your beneficiary with the contact information of the plan administrator.

Should your beneficiary die before you, the administrator will pay any death benefit owing to your estate.

Your current beneficiaries will be listed on your annual statement. If you would like to change your beneficiaries, please request a Beneficiary Designation Form from the Union or the plan administrator and complete all parts of the form. Please make sure that you tell your prior and current beneficiary that you have changed the designation.

Please note that the Trustees have no discretion regarding the payment of your death benefit. If you have no spouse at the time of your death, the Trustees will pay your benefit to the individual or organization you have designated as your beneficiary, even if you have divorced or had children. Please be sure to keep your beneficiary designation up to date.

Your spouse

As noted above, the person who is your spouse has important rights under this pension plan.

If you die before retirement, your spouse may be entitled to a death benefit. If you have a spouse when you retire, your pension must be paid in a "joint and survivor" form (i.e. a pension that continues for your spouse's lifetime after your death), unless your spouse waives this right by submitting a spousal waiver form.

Sometimes, a member may be unclear as to who qualifies as their spouse. The definition of spouse for the pension plan depends on the province in which you last worked for an employer who participates in this plan.

If you last worked in B.C., your spouse for plan purposes is:

- a person who is married to you and has not been living separate and apart from you for a continuous period longer than two years; or
- a person who has been living with you in a marriage-like relationship for a period of at least two years immediately preceding the relevant time.

If you last worked in Alberta, your spouse for plan purposes is:

- a person who is married to you and has not been living separate and apart from you for a continuous period longer than three years; or
- If there is no person to whom the above clause applies, a person who has been living with you in a marriage-like relationship:
    - for a continuous period of at least three years immediately preceding the relevant time, or
    - of some permanence, if there is a child of the relationship by birth or adoption.

Only one person shall be considered to be your “spouse” and entitled to a benefit payable to a "spouse". In the event of any questions as to who your "spouse" is, such questions may be referred to a court for determination.

Your rights

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

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

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

Employer responsibilities

Once participating employers sign collective agreements requiring contributions to the plan, they must submit those contributions through the plan administrator in accordance with those agreements.

Participating employers must also provide information on hours worked, addresses, and any other member data required to calculate pension benefits.

Employer rights

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

Union responsibilities

The Union, through the president of the International Association of Machinists and Aerospace Workers Vancouver Lodge No. 692, and the current Trustees are responsible for appointing Trustees who run this pension plan. Those Trustees have full responsibility for all aspects of the plan.

The Union is also responsible for collective bargaining with employers that participate in the plan.

Union rights

The Union has the right to see certain plan documents.

Plan history

January 1, 1960

Creation of the Machinists Pension Plan

October 1, 1972

Creation of the Machinists Construction Industry Pension Plan

January 1, 1975

Creation of the Machinists Shipyards Industry Pension Plan

March 31, 1986

The Machinists Pension Plan is renamed the Machinists Pension Plan, Lodge 692

December 31, 1983

The Machinists Construction-Shipyards Industries Pension Plan is created by the merger of the Machinists Shipyards Industry Pension Plan and the Machinists Construction Industry Pension Plan.

January 1, 2000

The Machinists Construction-Shipyards Industries Pension Plan merged into this plan. It operated as a separate division called Division 2, with assets kept in a separate trust fund, until the divisions were merged on January 1, 2017.

December 31, 2015

The plan changed from hybrid defined benefit to hybrid target benefit design. The hybrid design means that while you work your contributions grow with interest and then are converted into a monthly lifetime pension when you retire. Further details are in the calculating your pension section of this booklet.

March 26, 2026

The Machinists Pension Plan, Lodge 692 is renamed the IAM Western Canada Pension Plan.

Divisions of the plan

From 2000 to 2016, the plan operated with two distinct divisions with assets in separate trust funds. While the assets of the two divisions have been pooled since January 2017, plan rules remain slightly different between the divisions.

All members earn benefits under Division 1, with the exception of those who had been members of the Machinists Construction-Shipyards Industries Pension Plan, who are in Division 2.

You earn benefits under Division 2 if you work for the following employers:

1. Vancouver School Board
2. Vancouver Shipyards / Drydock

Some historical differences remain in how benefits are determined between each division:

A. Defined contribution accruals:
   Benefits accrue in a defined contribution manner since 1995 for Division 2 and since 2011 for Division 1.

B. Member contribution requirements:
   Some Division 1 members are required to contribute to the plan, based on the terms of their collective agreement. Division 2 has no member contribution requirements.

C. Normal form of pension benefit:
From 2011 onward, the main difference between the two divisions is the “normal form of pension” for those who are married.

The normal form is simply the default option used to convert your account balance into a monthly pension. When you retire, you can choose between different pension forms that can vary the pension you want to continue to your spouse or beneficiary. Please see the Normal Form of Pension section for additional details.

Plan Operations

The plan is set up under a trust agreement between the International Association of Machinists and Aerospace Workers Vancouver Lodge No. 692 and a board of Trustees. The Trustees have overall responsibility for setting the terms and conditions of the plan and for the operation of the plan and trust fund. To assist in those tasks, they retain the following outside professional services:

The **actuary** (currently Convyta Partners) reviews the level of benefits that can be provided by the negotiated contributions, makes periodic estimates of pension fund surpluses or deficits, and provides investment consulting advice to the Trustees.

The **administrator** (currently Convyta Partners) administers the plan by keeping records of service and contributions, answering member questions, and calculating pensions and benefits under the plan.

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

The **custodian** (currently National Bank Trust) holds the pension assets and invests them, following instructions from the investment managers. All contributions are held in a trust fund by the custodian, and all plan expenses, pensions and benefits are paid from that fund by the custodian.

Several **investment managers** have been hired to make investment decisions within guidelines set by the Trustees. These include Leith Wheeler Investment Counsel, ACM Advisors, IFM Investors, Connor Clark & Lunn, Northleaf Capital, Fengate Asset Management, and Concert Properties.

Investments

The investment managers have flexibility in selecting investments within the guidelines set out in the Statement of Investment Policies and Procedures (SIPP). These guidelines establish performance targets for each manager and set limits on the percentage of the fund that may be invested in a diversified set of asset classes, including Canadian and global equities, Canadian bonds, mortgages, infrastructure, real estate, private equities, and direct lending.

More details can be found in your annual newsletter or by contacting the administrator. The Trustees regularly review the results achieved by the professional investment managers and occasionally may make changes.

While contributions are tracked individually, all members' contributions are pooled and invested together. Investment gains or losses are credited proportionally to each member's account at the beginning of the following calendar year. Investment returns may be positive or negative. The rate of return credited to members' accounts reflects the trust fund's annual investment return, net of expenses, and is shown on your annual statement.

Expenses

There are certain operational expenses associated with the plan. These fees are paid to the custodian, investment managers, auditor, actuary, plan lawyer, administrator, and pension regulator. Members are sent a newsletter each year that summarizes cash flows for the prior year. Details of the expenses can be found in the plan's annual audited financial statements. You may contact the administrator to view the audited statements.

Contributions

For each hour you work for a participating employer, contributions are made by your employer based on the terms of the collective agreement. Some collective agreements also require that members contribute to the plan. If this applies to you, any contributions that you are required to make to the plan are referred to in this booklet as member required contributions.

As a member, you may also make voluntary contributions to the plan which will increase your pension. If you choose to make voluntary contributions, it is your responsibility to ensure that the amount of your contributions does not exceed the limits set out in the *Income Tax Act*; contact the plan administrator or your tax advisor for details. If your employer allows it, you may make voluntary contributions to the plan via payroll deductions. Alternatively, you can also transfer funds from your RRSP to this plan. Please contact the administrator for the appropriate form if you would like to make voluntary contributions.

Plan Funding

The plan is financed by contributions and investment earnings. Contributions are fixed until the next round of bargaining, while the cost of providing lifetime pensions can vary.

Sometimes, adjustments must be made to the plan to have costs match the assets. To assess whether contributions plus investment earnings are sufficient to cover all pensions, legislation requires that an actuarial valuation must be performed at least once every three years. In this valuation, the actuary determines if the assets and future contributions are sufficient to pay for the cost of all pensions (the “liabilities”).

If there is a difference between the assets and liabilities of the plan, the Trustees may be required under B.C. pension legislation to consider changes to the plan to address the imbalance. These changes could include, but are not limited to:

- new investments strategies
- adjusting the assumptions used to convert balances into a lifetime pension for those who are not yet retired
- adjusting the interest rate credited on member contribution balances
- a reduction in monthly pension amounts
- an increase in contributions (assuming changes to applicable collective agreements can be negotiated)
- a portion of existing contributions being diverted from member accounts to help fund the imbalance

Given the nature of target benefit plans, legislation requires that the above options be available to the Trustees in case they are needed.

The Trustees manage the plan prudently to keep benefits as stable as possible within the constraint of having contributions limited to those set out in the collective agreements. While there has always been the possibility that pensions could be reduced when assets were not high enough, there is also the possibility that pensions can be increased when assets are sufficient.

For reference, the following adjustments to pension benefits have been made over the last ten years:

Effective January 1, 2024:

- An “equalization improvement” to pensions which led to increases for pensions that were converted at lower assumed future rates of return than the conversion basis at the effective date
- In addition to the above, a 10% increase to all pensions in pay

Effective January 1, 2025:

- All pensions in pay increased by 3.4%

Effective January 1, 2026:

- All pensions in pay increased by 1.8%

Effective January 1, 2027:

- All pensions in pay will increase by 2.4%

The Trustees have prepared a careful strategy of how to reduce or increase benefits in a fair, carefully thought-out manner. This procedure is documented in their Benefits Policy, which members may view on request.

Is my pension guaranteed?

As noted above, your pension may be reduced if the plan becomes significantly underfunded.

The Trustees take many steps to minimize the possibility of benefit reductions, including building and holding reserves when possible.

A key role for the actuary is to estimate future benefits the plan will owe, and future investment earnings, to determine the level of contributions required now to meet the estimated future benefits.

B.C. pension legislation also requires that extra contributions be made or benefits reduced if the contributions are not high enough to meet estimated pensions and expenses. The Trustees may have no option other than reducing benefits if contributions are insufficient to pay all benefits promised under the plan. The Trustees also have the right to change the plan provisions, including any formulas explained in this booklet.

Are benefits taxable?

Pension income received from this plan is taxable. The exception is if you transfer a lump sum directly from this plan to another tax-sheltered account or pension plan.

Can I borrow against my pension?

No. Benefits under the plan may not be assigned in any way, except in certain cases where benefits are split upon divorce, or where taxes are owed.

Benefit Types

There are five types of benefits provided by the plan:

- Pensions (available for those over 55)
- Choice of pension or lump sum if terminally ill
- Disability pension benefits
- Pre-retirement death benefits
- Benefits on termination of membership in the plan

These are explained in the following sections. Note that this booklet refers to the plan rules in effect at the date shown on the cover. If you terminated membership in the plan before that date, contact the administrator if you would like to know more about the rules that were in effect at your date of termination, which apply to your benefit.

Retirement

How do I get a larger pension?

Your pension depends on the amount of contributions made, the age you start, and investment returns. The contribution balance grows when you work more and also when you make voluntary contributions. Your pension generally will also be larger if you wait to start pension payments later, although if investment returns are negative just before you start your pension, this will reduce the amount of your pension. Once you start your pension from this plan, investment returns no longer have a direct impact on your monthly payments.

When may I start my pension?

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

Retirement planning

Members at any age would benefit from making a financial plan. Estimate roughly how much you will need per month once you retire by creating a list of your expected expenses. Learn how large your pension from this plan and from government benefits will be if you continue to work to your retirement age and adjust your savings so that your estimated income matches your expenses in retirement.

The normal retirement date for this plan, which is the date on which the pension formulas in this booklet are based, is the first day of the month on or after you turn 65. If you elect to retire before you turn 65, your pension will be lower, all else being equal, because:

- your contribution balance will be lower, and
- your pension will be paid for a longer period of time.

On the other hand, if you work longer, you will have more contributions to convert to a pension and also you will collect a pension for fewer years, so those contributions can pay a higher monthly pension.

Do I have to start my pension by 65?

No. The age at which you start your pension is entirely your decision, within certain rules. If you remain employed in the industry after age 65, you will continue to earn pension benefits until you actually retire. However, Canadian tax rules do not permit you to continue beyond December 1st of the year in which you turn 71. They also require that you commence your pension by then.

Calculating your pension

Once you decide to start a pension, *the balance of contributions made for hours you work including any voluntary contributions and investment returns, is converted into a lifetime pension paid from the plan*.

The amount of pension you will receive is directly related to how well the investments perform before you start your pension, assumptions about future returns and mortality rates, as well as your age at retirement.

Because this calculation is complex, it can be hard to estimate your exact amount of pension. An example is provided at the end of this booklet to help illustrate how it works.

For more information on your specific earned pension details, please contact the administrator.

Early retirement

You may start a pension from this plan once you have reached age 55 and have retired. If you elect to retire early, your target benefit pension will be reduced to allow for the longer period of payments; it will be actuarially reduced to be equivalent to a pension starting at 65.

Delayed retirement

You must start a pension by December 1st of the calendar year in which you turn 71. Similarly, if you elect to retire after age 65, your target benefit pension will be larger as less payments are expected.

Working after retirement

If you return to work for an employer who participates in this plan, your pension will continue and you will earn no additional pension. Employer contributions will not be accepted by the Plan. Once you start to collect a pension from this plan, you are not permitted to make additional voluntary extra contributions to the plan and any contributions you make will be returned to you.

Normal and Optional Forms of Pension

As previously noted, the normal form is simply the default pension option used to convert your account balance into a monthly pension.

The default (normal) form of pension is a Life Guaranteed 5 Years for all members, except for members with a spouse that have Division 2 benefits. For those members, the normal form is Joint and Survivor 50%.

When you retire, you can choose between different pension forms that can vary the pension you want to continue to your spouse or beneficiary. While the amounts of pension provided under each form will vary, the actuarial value of each option (the value using assumptions about the future) is the same.

Some forms of pension provide a minimum payment guarantee. For example, the Life Guaranteed 5 Years form provides a monthly pension payable for your lifetime, with a guarantee of 60 monthly payments. If you die before 60 payments have been made, payments continue to your beneficiary until the total number of payments since your retirement is equal to 60 payments.

Some forms will provide a pension continuation to your spouse upon your death. Under this option, your pension is paid monthly for your lifetime and, if you are survived by the same spouse you had at retirement, your spouse will receive a percentage of your lifetime pension upon your death.

Examples are provided at the end of this booklet.

Will my spouse get a pension?

This will depend on what form of pension you elect at retirement. Your pension is payable for your lifetime, and you may choose a form that continues to your spouse when you pass away.

By law, when you start your pension, you must select an option that provides your spouse with at least 60% of your monthly pension after your death, unless your spouse signs a Spousal Waiver giving up this right.

Canada Pension Plan and Old Age Security

You may choose to adjust this pension to coordinate with the Canada Pension Plan (CPP) and Old Age Security (OAS).

Without coordination, if you start a pension from this plan before 65 but choose to start payments from government retirement programs (CPP and OAS) at age 65 or later, your total income will increase once the government-run pensions start.

To help level out your retirement income, you can ask us about a **level income option**. Under this option, the plan would pay you a larger pension amount up to age 65. Once you reach age 65, your pension from the plan would reduce when your government benefits begin so that your income from all sources is more or less level throughout your retirement years.

For more information on government benefits, see the *Sources of Retirement Income* section later in this booklet. Also, an example of the level income option is provided in the *Pension Calculation Example* section of this booklet.

Will I receive my pension automatically?

No. To allow sufficient time for you to review your application forms please contact the administrator three months before your retirement date. You may consider contacting Service Canada about government retirement programs as well.

You must apply to the administrator to start receiving your pension. You will need to provide proof of your age, your marriage certificate and proof of age for your spouse, if applicable.

Your completed paperwork must be filed at the office of the administrator at least 30 days in advance of the first of the month in which your retirement benefits are expected to begin.

For example, if you wish to retire on November 30th, your completed paperwork, with your selected retirement option should be filed by November 1st so that you can receive your first payment by December 1st or once your final contributions are received.

Disability Pension

Normally, you may not start a pension before 55. One exception is that you may retire on a disability pension provided:

a) you have been continuously disabled through sickness or injury for at least six months;

b) you worked 300 hours or more in the year preceding disability;

c) you have either attained age 50 and completed five or more years of Service*, or have completed 20 or more years of Service*;

d) you are qualified for a Canada Pension Plan disability pension or have obtained a written certificate by a medical doctor that is satisfactory to the Trustees;

and

e) you remain totally and permanently disabled as certified by a medical practitioner.

One year of Service is credited for each year you are credited with at least 350 Hours Earned.

<u>Calculating the disability pension</u>

Your disability pension is calculated in the same manner as your retirement benefit, except that the relevant date of calculation is your date of disability.

If you return to employment with a participating employer once you recover, you will earn no further pension and you will be entitled to a refund of any required contributions you make.

How long is the disability pension payable?

The disability pension is payable for as long as you live, in accordance with the form of pension settlement elected by you.

Are there other plans available which will provide me with additional disability benefits?

Yes. Benefits may be available to you under the Employment Insurance Act, the Canada Pension Plan and the Workers' Compensation Act, which are government plans. Check your collective agreement for possible benefits such as life insurance premium waivers.

If you are a member of the Machinists' Lodge 692 Health and Benefit Plan, you may also qualify for wage indemnity (short-term disability) benefits under that plan.

Shortened Life Expectancy

If a physician has certified that you have an illness or disability that will shorten your life considerably, and you have not yet started your pension, you may withdraw your benefit in a lump sum or in a series of payments, the total of which is no more than the transfer value of your pension.

The transfer value is the lump sum value of your accrued pension, multiplied by the funded ratio for the plan if the plan is not fully funded. If you are terminally ill, you may contact the plan administrator for further details.

Death Benefits

If you die before withdrawing your benefit from this plan, your spouse or beneficiary has the right to the value of your retirement benefit. The value of the death benefit is the total of all contributions you and your employer made for you, plus investment returns on those contributions.

If you have a spouse and you die before starting a pension, this plan will pay a lifetime monthly pension to your spouse, which has a value equal to the death benefit. This pension is not automatic. The administrator must be notified of your death and certain forms completed.

If you do not have a surviving Spouse, the death benefit will be paid to your surviving designated beneficiary, or in the absence of a valid designation, to your estate. Unless transferred to a tax-sheltered account, lump sum death benefits have tax withheld as they are paid out of the plan.

What are the benefits if I die after retirement?

This depends on the form of pension that you chose when you retired. For example, if you chose a Life Only form of pension, your benefit will cease upon your death. If you chose a lifetime pension with a five year guarantee and you die before the guarantee period has expired, your beneficiary will continue receiving your benefit for the remainder of the guarantee period.

Are there other plans available which will provide me with additional death benefits?

Yes. There may be benefits available to you under the Canada Pension Plan and the Workers Compensation Act, which are government plans. Additionally, if you are a member of the Machinists Lodge 692 Health and Welfare Plan, there may be a life insurance benefit payable.

What happens if I have a new Spouse after retirement?

Only the spouse you have at retirement, if any, is eligible to receive a spousal pension from the plan. If you marry or enter into a common-law relationship after you retire, your new spouse will not be eligible to receive the death benefit.

Termination of Membership

If you work less than a total of 350 hours in a two-year period, your status in the plan changes from active to terminated, which simply means you have the option to transfer your pension benefit from the plan. You may also voluntarily elect to cause a break in service, to change to terminated status, if you have not been employed by a participating employer for at least three consecutive months.

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

You may leave your benefit in the plan and start a pension from the plan at any time after age 55.

Alternatively, if you are under age 55 and have terminated status in the plan, you may transfer the lump-sum transfer value of your benefit to a locked-in retirement vehicle. The transfer value of your benefit will be the value of the balance of contributions made on your behalf, including net investment earnings.

Voluntary contributions may be transferred to an account of your choice (they are not locked-in).

Your termination benefit is calculated in the same way as your retirement benefit. After you terminate from the plan, the administrator will mail a termination package to your current address on file. It will contain a statement of your termination entitlements as well as a Benefit Options Form for you to make your selection.

Once you are 55, you may not withdraw a lump sum from the plan. You may choose when to start a pension from the plan, but no longer have the option to transfer your benefit as a lump sum after age 55.

Am I going to lose my pension?

No. To be entitled to a pension benefit under this plan, you must meet qualifications known as vesting. Since January 1, 2013, all members of the plan are vested. Those who terminated membership before 2013 should review the statement sent to them, or contact the administrator to determine if they qualified for a benefit.

What is meant by “Locked-in”?

If you qualify to transfer your entire benefit out when you leave the pension plan you will be given a “locked-in” transfer which means that you may spend only a certain amount each year after you reach age 55. A pension benefit may be fully unlocked only under these circumstances:

1. **Shortened Life Expectancy:** If you have a considerably shortened life expectancy (as certified by a physician) due to physical or mental disability.

2. **Small Pension Rule:** Members who have a small balance of less than 20% of the Year’s Maximum Pensionable Earnings (YMPE), may unlock it. The YMPE for 2026 is $74,600.

3. **Non-Residency:** If you have written evidence from the Canada Revenue Agency stating that you are a non-resident of Canada.

4. **Financial Hardship:** If your status in the plan is “terminated” and you meet certain other hardship criteria. Unlocking for financial hardship is not possible for active members. For those who are terminated vested, they must first apply to withdraw their benefit. The plan administrator will transfer it on a locked-in basis. The member may then apply to the financial institution that holds their locked-in funds, to have the funds unlocked because of financial hardship.

5. **Age:** For those who leave the plan early, if their locked-in benefits are below a certain limit, those funds may be unlocked once the former plan member is 65 or older. For those who last worked in Alberta, partial unlocking may be available at age 50 for those who qualify to transfer their benefit from the plan.

Marriage Breakdown

The division of pension assets is not automatic after separation. If spouses do not wish to split the pension, they can choose to make different arrangements through agreement. For instance, in a separation or divorce agreement one spouse may give up a claim to a pension in exchange for other assets. If no agreement or court order exists, provincial family laws govern how all family assets, including pensions, are divided when a marriage or common-law relationship ends.

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

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

Reciprocity

The plan has reciprocal agreements with several other union plans. This means that if you happen to work in the jurisdiction of one of those plans, you could request that contributions be sent to this plan instead of to the plan covering that region, so you do not have small benefits in several pension plans.

Until January 1, 2017, this plan had two divisions. If you move between employers who are classified under different divisions of this plan, you will accumulate pension credits in a given division based on which employer is contributing.

Additional Information

Plan Changes

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

Privacy

The Trustees are committed to protecting your personal information. The Trustees are subject to applicable privacy legislation and have adopted a privacy policy that reflects their obligations. The privacy policy governs the way the Trustees collect, use, disclose and secure information about members. It also sets out your entitlement to access the information on file about you in order to correct or update it.

Information may be held on the Trustees' behalf by the plan administrator, or other service providers that the Trustees may appoint. If you have a privacy-related query or complaint, or would like a copy of the privacy policy, please contact the plan's privacy officer at the office of the plan administrator.

Sources of Retirement Income

- This plan
- Your savings
- Canada Pension Plan (CPP)
- Old Age Security (OAS)
- Guaranteed Income Supplement
- Other plans you joined

Canada Pension Plan

The maximum monthly CPP for 2026 is $1,508, but most retirees receive less than the maximum since they did not contribute the maximum amount in years where their earnings were lower. The average payment from CPP in October 2025 was $803.76/month.

The standard age for beginning to receive your CPP retirement pension is the month after your 65th birthday. You can take a reduced pension as early as age 60 or begin receiving an increased pension after age 65. Once you reach age 70, there is no financial advantage in delaying CPP, as the payments do not increase after age 70. An individual who starts receiving their retirement pension at age 70 will receive 42% more per year than if they had taken it at 65.

Starting in 2019 and up to 2025, contributions to the CPP gradually increased and members will earn larger pensions from the CPP. Additional details can be found at the following website: https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-enhancement.html

Old Age Security

In addition to the CPP, those who have lived in Canada for at least 10 years may receive OAS payments from age 65. As at January 1, 2026 the maximum OAS payment is $742.31/month for ages 65 to 74, and $816.54/month for ages 75 and over.

You may defer your OAS Pension by up to 60 months in exchange for a higher monthly amount.

A Guaranteed Income Supplement is paid to low-income Canadian seniors, in addition to OAS. If your annual income exceeds a threshold amount while retired, you will be required to repay part or your entire OAS pension. The annual income threshold for 2026 is $95,232.

Pension payments from the CPP and OAS increase each year based on the amount of increase in the cost of living, which protects retirees in times of high inflation. The income from CPP and OAS is taxable.

For more information, call Service Canada at 1-800-277-9914 or visit: http://www.canada.ca.

Pension Calculation Example

Joe, who joined in 2011, is retiring at age 64 in 2035 and has a spouse age 61 . His account balance equals the amount in his Supplemental Participant Account.

Annual pension = Account balance divided by an annuity factor.

If Joe's account balance is $255,970 just before he retires, and at the time the normal form annuity factor for a member his age is 12.4773:

Annual Pension = $255,970 / 12.4773

= $20,515 / year

=$1,710 / month

Joe could receive a pension from this plan of $1,710 per month for life with payments continuing to his spouse or beneficiary if he dies within the first 5 years, if he chooses the default form of pension.

In addition to the above, other optional forms would be available with the corresponding amounts payable to Joe at retirement. An illustrative sample is provided below (note – there may be a wider variety of options on your actual election form):

Monthly Lifetime Pension Options

Life only:	$1,723
Life, Guaranteed (G) 5 Years: (Normal Form, except for Division 2 Members with a Spouse)	$1,710
Life, G10 years:	$1,675
Life, G15 years:	$1,624

Monthly Joint and Survivor (J&S) Options

J&S 50%: $1,559
(Normal Form for Division 2 Members with a Spouse)

J&S 100%: $1,423

Monthly Level Income Options (with CPP and OAS)

	Pre-Age 65	Post-Age 65
Life only:	$3,713	$1,553
G5 years:	$3,702	$1,541
G10 years:	$3,670	$1,509
G15 years:	$3,624	$1,463
J&S 50%:	$3,565	$1,405
J&S 100%:	$3,443	$1,282

For level income options, the pension payable to you prior to age 65 is higher and then drops once you reach age 65. This reduced amount, when added to your estimated CPP and OAS pension, will produce a total retirement income that is close to your pre-age 65 pension. This option allows a member to start a pension early and have a fairly level income once government pensions start.

Note that this example may not reflect exactly how the level income option would affect your pension. The actual amount payable depends on your age at retirement as well as CPP and OAS rates in effect at the time and whether you qualify to receive the maximum CPP benefit.

Currently, the plan uses an annual interest rate for this calculation of 5.5%. In the current environment, this results in a higher pension than if you were not part of a large plan and asked an insurance company to convert your balance to a pension (an annuity).

Please note that the example above will not predict the actual value of your pension. To obtain details of your actual benefit, please contact the plan administrator.

The Trustees strongly urge you to seek independent financial advice about how much to save, when to retire and which form of pension to choose.

NOTES

More questions? Contact us!

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