

# Your Pension, Your Future



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## Are You Sure Your Beneficiary Nomination is Up to Date?

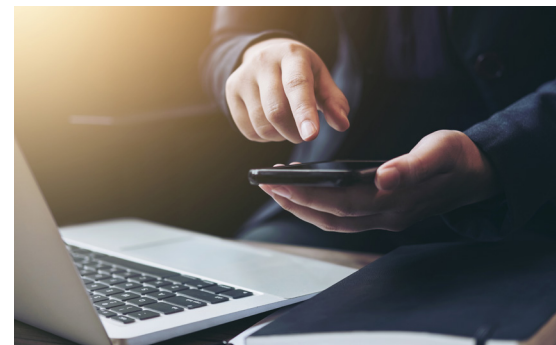
No one wants to think about passing on. But, if you die, are you sure your Plan benefit will go to the right person?

If you're married when you die, your Plan benefit goes to your legal spouse. That's easy. But if you're single, legally separated or divorced when you die, or if your legal spouse dies before you, who gets your benefit then? Your children? A relative? A close friend? A charity?

Realistically, changing your beneficiary isn't likely to be top of mind when you're going through a separation, divorce or death of a spouse. That's why it's so important to be sure **now** that you've named the right person to get your Plan benefit. Check that your Beneficiary Nomination Form is up-to-date.

Visit [iammepp.ca](http://iammepp.ca). Do it **today!**

*Continued on the next page.*



## Plan Facts

### Who are the Trustees?

- Ray Fisher (formerly Magellan)
- Bruce Nelson (Dominion Motors)
- Stan Pickthall (Canadian GVP)
- Dave Ritchie (Canadian GVP, retired)

### Who regulates the Plan?

The Office of the Superintendent of Financial Institutions (OSFI).



## Haven't nominated a beneficiary?

Get a Beneficiary Nomination Form here: [iammepp.ca/services.html](http://iammepp.ca/services.html).

If you aren't married when you die, we'll definitely need your guidance—through a current Beneficiary Nomination Form. If we **don't** have a current Beneficiary Nomination Form on file for you, here's what happens:

- The Trustees will take legal guidance on who should receive your death benefit. This usually means leaving it up to the courts. (Family situations can get very complicated!)
- Leaving the decision to the courts means it'll take some time to get things sorted out
- Taking time to get things sorted out means your family **won't** have the money from your benefit to pay for living expenses right away, when they'll need it most!
- If the court pays your benefit to your estate, you may have to pay taxes.

**The best situation is this:** Have a current Beneficiary Nomination Form on file with us. That will give us clear direction about where your benefit goes. And, that means no payment delays and no taxes.

**So, keep your Beneficiary Nomination Form up to date!**



## Reminder: What "Spouse" Means

For the purposes of the Plan, the definition of "spouse" means either of the following:

- (a) Two persons who are married to each other, or
- (b) Two persons who are **not** married to each other **but** are living together in a conjugal relationship for at least a year.

Note that, for the purposes of pension legislation, a person married to a member or a former member includes situations where the marriage was voided or annulled.

If your circumstances are complicated, please check with the Fund Office if you have concerns about who would get your death benefits.

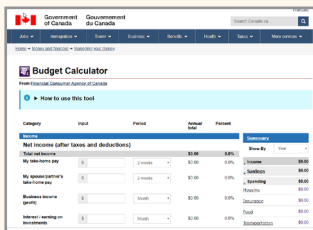
## Are You Retirement Ready?

Being retirement ready means two key things:

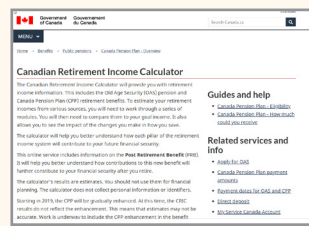
- **Having a plan for your life after work ends**—that is, knowing what you'll do with all your free time
- **Having a financial plan**, so you can live the way you want and do what you want, by having enough savings and income in retirement.

### Helpful Websites

Having a plan in place way before your retirement date is critical. Here are two websites to help you get started:



**Government of Canada Budget Calculator:**  
[tinyurl.com/y3om89no](http://tinyurl.com/y3om89no).  
Plug in the numbers and this calculator offers a detailed approach to figuring out how much money you may need in retirement.



**Canadian Retirement Income Calculator:**  
[tinyurl.com/jjtawga](http://tinyurl.com/jjtawga). This calculator helps you estimate your Old Age Security (OAS) pension and Canada Pension Plan (CPP) retirement benefits.

Once you estimate your expenses in retirement and potential retirement income, you can start creating a plan.

## How Can You Save More?

You have a few options to build your retirement income beyond the Plan's benefit and benefits provided by OAS and the CPP. Some of them have **big** tax advantages. Learn more by visiting this Canadian government website: <https://tinyurl.com/yxuq2jpb>.

## It's So Important to Save Starting As Early as Possible!

Pensions can be boring. But, you'll be interested in the money you get from your Plan—and the money you get from saving on your own.

The Plan will give you a steady monthly benefit payment. However, it may not be enough for you to live the life you want in retirement. That makes saving on your own, outside the Plan, critical.

The sooner you start saving outside the Plan, the more time your money has to grow. That gives you the chance to have more money when you retire.



# A Summary of the Plan's 2018 Financial Statements

Each year, we prepare financial statements for the Plan. An outside audit firm (that is independent of the Plan's Trustees, the Union and all participating employers) audits the statements. Once the Trustees approve the audited statements, we file them with the Federal regulator (OSFI).

To the right is a summary of the Plan's 2018 financial statements.

<b>Assets as of 1 January 2018</b>	<b>\$52,452,580</b>
<b>Plus Contributions received — employers</b>	<b>\$14,441,387</b>
<b>Plus Contributions received — employees</b>	<b>\$8,061,137</b>
<b>Minus benefits paid</b>	<b>\$1,015,062</b>
<b>Minus expenses</b>	<b>\$632,589</b>
<b>Minus change in value of assets</b>	<b>\$3,448,884</b>
<b>Assets as of 31 December 2018</b>	<b>\$69,858,569</b>

Note that, as shown above, the Plan paid more than \$1,000,000 in benefits in 2018. This is an exciting step in the growth of the Plan! It means we're paying benefits to more retired members and their beneficiaries each year, which is exactly what the Plan is intended to do.

The "Change in value of assets," above, reflects a poor year in the investment markets, leading to investment losses in 2018. The Plan doesn't expect to have investment gains every year—that's just not how financial markets and investing work. So, we are not unduly concerned at this time. Returns for 2019 year-to-date have been good.

## How Collective Bargaining Affects Your Pension

Each time collective bargaining happens, it's very important that a portion of wage increases go toward paying additional pension contributions. That's vital to ensuring the Plan pays at least a substantial part of your retirement income, to help you retire with dignity.

If a portion of wages doesn't go to pension contributions each time wages go up, your pension benefit won't keep up with your growing standard of living, and with inflation. Here's what we mean:



**Say you get promoted.** That means you'll earn more money. With more money, your standard of living improves. So, you'll need a bigger pension to keep that better standard of living in retirement. This means increased pension

contributions are needed—your current contributions won't be enough any longer.



**Whether or not you get promoted, prices of groceries, rent, gas and more will go up.** They go up every year. Hopefully, the Union and your employer can agree to wage increases that protect you from

inflation. But, to really be protected, your pension contributions must go up, too. So, long-term, even without getting a promotion, your current pension contributions won't be enough.

Read your collective bargaining agreement (CBA). Know when collective bargaining is happening. Before it does, make your wishes about wage increases and pension contributions known to your Union representative. (**NOTE:** the Plan's Trustees are not involved in the collective bargaining process.)

## Our Plan vs. a Registered Retirement Savings Plan (RRSP)

A recent article on [bnnbloomberg.ca](http://bnnbloomberg.ca) ([tinyurl.com/y2h9jsdp](http://tinyurl.com/y2h9jsdp)) showed that the typical expense charge for an RRSP was about 2.5%.

- This means **\$2.50** in expenses is paid by RRSP participants for every \$100 they have in the RRSP where investment guidance is provided.
- Compare that to the **far lower expense charge** for the IAM Multi-Employer Pension Plan: just **91 cents**.
- So, **if you put \$10,000 in an RRSP, over 10 years you're paying over \$2,500** more in fees than you would under this Plan (based on the Plan and an RRSP earning just under 7% annually, before expenses).
- Each year, as our Plan grows, we expect the expense rate of 91 cents to go down (that's a good thing).
- When you retire, you'll need to figure out how much of your RRSP account balance you can spend each month.
- If you **take out too much** money, you can run out of money before you die. **Take out too little** and you could leave a large amount in your account when you're gone.
- With our Plan, there's no worry about converting the value of your benefit to monthly income—the Plan pays you the same amount every month for the rest of your life!
- Unless you're really disciplined, it's easy to withdraw money from an RRSP before you retire—say, for a car or a vacation. If you do, you'll have **a lot less** for retirement than you need.
- With our Plan, there's no temptation; you can't take money before you retire. In a way, you're forced to save without breaking open your piggy bank—and that's a good thing.

## How to Get a Pension Estimate

Want to get your registered service records and statements, and estimate your pension benefit? It's simple: Just visit [iammepp.ca](http://iammepp.ca) and create your own secure, personal account. Here's how:

- Choose "Web Services" on the homepage
- Choose the Secure Login icon on the right and follow the instructions.

**If you get an error message saying your identifying information isn't recognized, please contact the Fund Office to confirm you're using the correct member ID and email address.**



## Our Website, Your Email

To help keep mailing costs as low as possible, we will look to make maximum use of our Plan's website, [iammepp.ca](http://iammepp.ca), to communicate with you, so please check there regularly. There you'll find a lot of information about the Plan.

### Create your own secure, personal account on our site:

- Click "Login" in the top navigation bar on the homepage
- Then, click the secure login icon
- If an Apeon Browser plug-in downloader appears, you must download it
- Click "create your account" at the top of the login screen and enter the necessary information
  - You will need your member ID. It's on your Annual Statement. Please call the Fund Office, if you need assistance
  - You will need to use the email address that's in our database. If you believe we don't have an email address for you, contact the Fund Office
  - If you receive an error message saying you are not being recognized, please contact the Fund Office to confirm you are using the correct email and member ID.

We would also like to communicate with you by email. If this is acceptable to you, please provide the Fund with your email address and your approval to use it rather than regular mail.

Fund Office address:  
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