

Gearing Up for Retirement



What's Inside

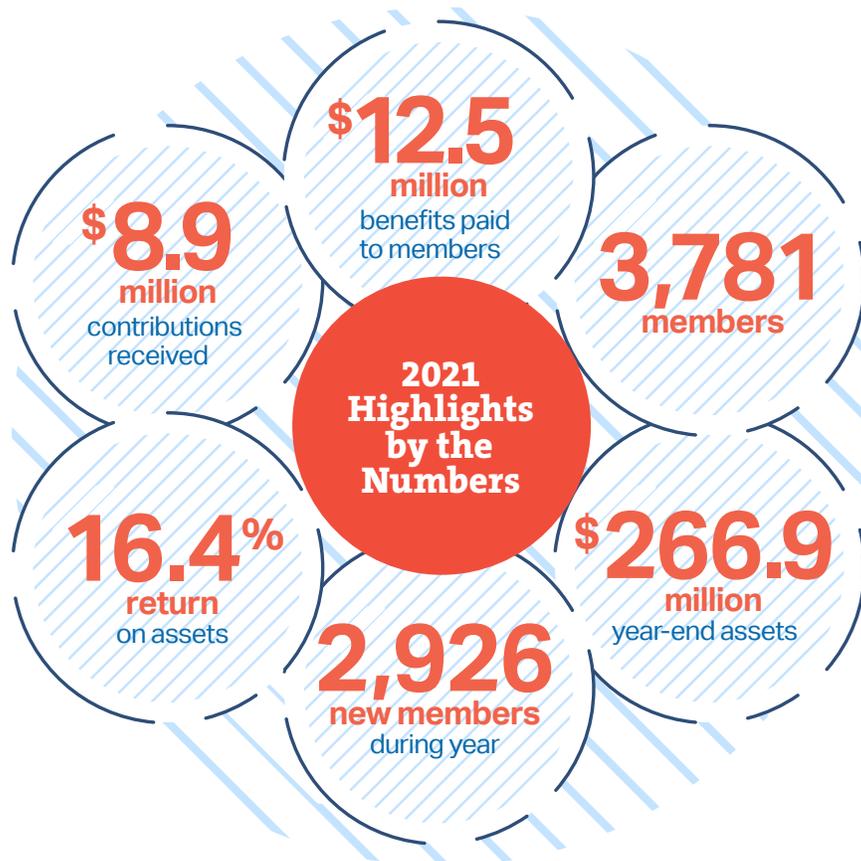
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Update from the Trustees

Welcome to another newsletter from the Trustees. As you can see, the Plan had a very positive year despite the COVID restrictions. We hope you find this communication of interest.

Stay connected with us by email, phone, and post (and find us on Facebook and Twitter). See page 4 for how to stay in touch with us.

Sincerely,
The Trustees





Retirement Planning and Inflation

It is important to be aware that most employer-sponsored plans, including this one, pay fixed pensions. They do not increase once they're in payment, no matter what the rate of inflation is. That means that, over time, some of your purchasing power will be lost in retirement. To avoid a drop in living standards, you should consider building up personal savings and earmarking them for this purpose.

The personal savings options available include:

- **Registered Retirement Savings Plan (RRSP)** – For additional details, please visit the Government of Canada site: <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4040/rrsps-other-registered-plans-retirement.html>
- **Tax-Free Savings Accounts (TFSA)** – For additional details, please visit the Government of Canada site: <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4466/tax-free-savings-account-tfsa-guide-individuals.html>

The Trustees

Dave Ritchie (Chair)

Retired IAMAW Canada General Vice President

David Chartrand

Current IAMAW Canada General Vice President

Bruce Nelson

Dominion Motors

Ray Fisher

Formerly Magellan Aerospace

The Board meets in person twice a year with conference calls to manage issues as they arise between meetings.

Plan Funding

Pension plans are required to regularly file actuarial valuations with the Financial Services Regulatory Authority of Ontario (FSRAO).

FSRAO requires the Fund's actuary to determine whether the incoming contributions are sufficient to fund the benefits promised by the Fund. **If a plan cannot satisfy that requirement, it is required to reduce benefits for past and/or future service, or increase contributions.**

The Fund last filed a valuation report with FSRAO as of 1 January 2021. As of that date, the Fund's contributions and assets are sufficient to cover the Plan's existing benefits and to continue future accrual of benefits of 1.455% of contributions. There is no requirement nor are there any plans to reduce benefits.

Investment Update

One of the benefits of a registered pension plan compared to an RRSP or other personal investments is the Fund's ability to diversify through various investment managers. The investment managers retained by the Fund are:

- Letko Brosseau
- Montrusco Bolton
- River Road
- William Blair
- Greystone
- Crestpoint

All managers are recommended and approved by our investment adviser, Segal Marco, who advise on over US\$700 billion of assets.



Death Benefits

We get lots of questions from members on what happens to their pension if they die. The benefits your spouse or beneficiary will be entitled to depend on whether you have retired or not.

What happens if I die after retirement?

If you die after you retire, the death benefit payable to your spouse or beneficiary will depend on the option you elected at retirement.

Pension plans have a default form of payment, called the normal form. The Fund's normal form of payment is a life annuity with a 60-payment guarantee. If you die prior to receiving 60 monthly payments, your spouse or, if you do not have a spouse, your nominated beneficiary will receive the balance of these payments.

Additional forms of payment are available as an option at retirement. Whatever form of pension you choose, your pension will be adjusted such that the cost of the options, as detailed below, are cost neutral to the normal form.

Joint and survivor option

If you have a spouse, the joint and survivor option is the default option and provides your surviving spouse with a lifetime pension equal to 60% of your pension when you die. No further benefit is payable when you die if your spouse is already deceased.

Life annuity with 120-payment guarantee

If you die prior to receiving 120 monthly payments, your spouse or, if you do not have a spouse, your nominated beneficiary will receive the balance of these payments.

Life annuity with 180-payment guarantee

If you die prior to receiving 180 monthly payments, your spouse or, if you do not have a spouse, your nominated beneficiary will receive the balance of these payments.

Spousal waiver - If you elect any form other than the joint and survivor option, your spouse must sign a waiver form. The form can be obtained from the Fund Office.

What happens if I die prior to retirement?

Your spouse may elect to receive the commuted value of your accrued pension or a monthly pension equivalent in value to the commuted value. If you do not have a spouse, the commuted value will be paid to your beneficiary.

All benefits paid from the Plan are subject to income tax, other than in the case of a commuted value paid directly to another locked-in retirement vehicle.

**Keep Your
Death Benefit
Nomination
Form Up to Date**

(available from the Fund Office)



**Keep all your pension papers
somewhere safe, and make sure
your spouse/partner/family
know where to find them.**



Stay in Touch with the Fund Office

On the web: **iamlmpf.ca**
By email: **admin@iamlmpf.ca**
By phone: **1.888.354.5444**
By mail: **204-116 Lisgar St.**
Ottawa, ON
Canada K2P 0C2

Sign Up for Email Updates

Visit **iamlmpf.ca** to create a secure member login, and sign up to receive email updates from the Fund. You can also find us on Facebook and Twitter, where you can keep up to date with all retirement news.

We want to communicate by email so that we can save money and share information more easily. We will continue to send general information like this newsletter by Canada Post and to flag communications and link to them on our Facebook and Twitter accounts.

As always, there will be a full record on the Fund website of all general communications issued, if you miss them first time round.

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