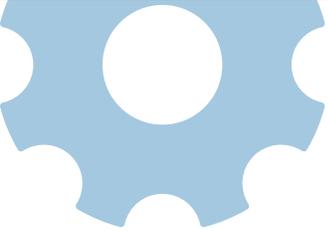


Your Pension, Your Future



What's Inside

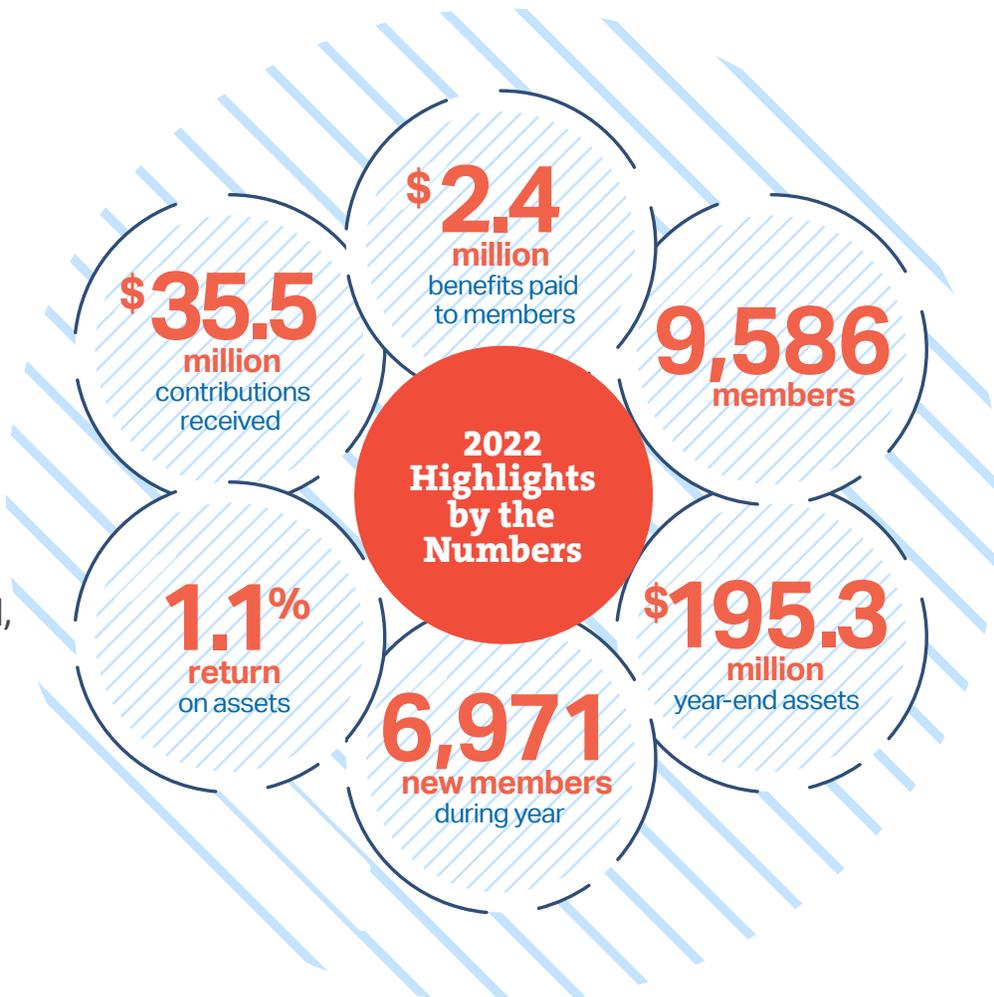
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Update from the Trustees

Welcome to another newsletter from the Trustees. 2022 was a challenging year, with soaring inflation and rising interest rates affecting the Canadian economy. We hope you find this communication of interest.

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

Sincerely,
The Trustees



Benefit Increases

Currently, the Federal government requires multi-employer plans to fund on a solvency basis. The solvency valuation assumes the Plan would terminate on the valuation date and uses more stringent assumptions than a valuation on an ongoing basis.

In July 2023, the Federal government proposed changes to legislation governing how multi-employer pension plans are funded. Under the proposed legislation, the Plan would no longer be required to fund on a plan termination basis.

As a result of these changes, along with the current interest environment, the Trustees are pleased to announce that, effective January 1, 2024, all accrued pensions and pensions in pay will be increased by 25%.

The Trustees and their advisors will continue to monitor the Plan's funded status and, depending on the Plan's funded status, may grant additional increases in 2025 and 2026.

Plan Investments

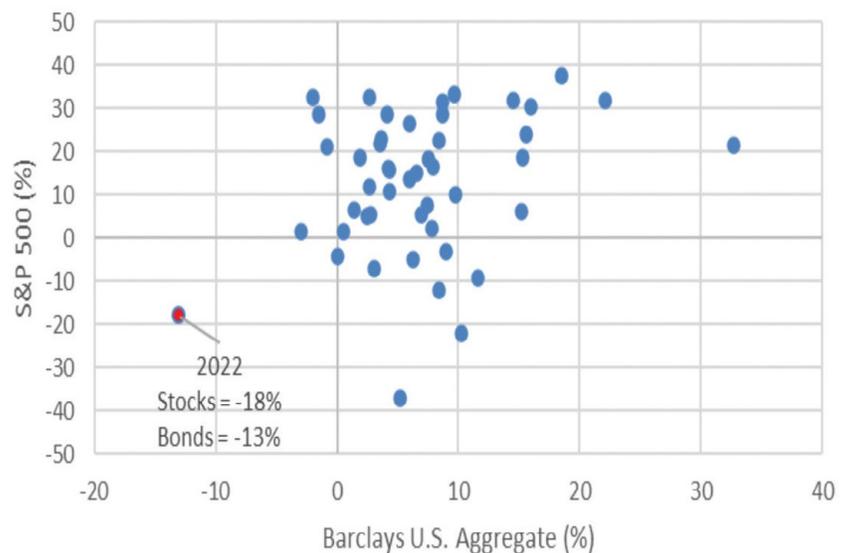
2022 could be called a once-in-a-century event. The impact of inflation and rising rates negatively impacted both equities and fixed income. Strong markets in the fourth quarter of 2022 allowed some pension plans to crawl back to single-digit negative returns. The Plan finished the year with a 1.1% return on assets.

One of the benefits of a registered pension plan, compared to an Registered Retirement Savings Plan (RRSP) or other personal investments, is the Fund's ability to diversify through various investment managers. The investment managers retained by the fund:

- Letko Brosseau
- PH&N Investment Management
- Crestpoint

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

Stocks and Bonds 1976-2022



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 of Trustees meets in person twice a year, with conference calls in between, to manage issues as they arise.





Employer Termination

We get lots of questions from members on what happens to their pension if their employer terminates from the Plan. The benefits you will be entitled to depend on whether you have retired or not and on the results of an actuarial study on the date the employer terminates.

How does an employer terminate participation?

The funding of benefits provided by the Plan is based on the continued contributions from contributing employers, as required in the Collective Agreements.

An employer's participation in the Plan shall terminate when one of the following conditions is met:

1. The employer is no longer obligated to make contributions in accordance with a collective agreement.
2. The employer fails to remit contributions, and termination is deemed appropriate by the Trustees.

What happens when an employer terminates?

The Fund rules and regulations require that the Plan's actuary determines whether the contributions remitted by the employer are sufficient to cover the promised benefits. In the event of a shortfall, benefits will be reduced. This reduction is applied to ensure that the termination of an employer does not adversely affect all members of the Fund.

Why do I have to wait 24 months after my employer terminates to receive a commuted value?

The 24-month period is designed to help members stay in the Plan. If your employer terminates participation and you get a job with another participating employer within the 24-month period, your membership is unbroken and there is no need to go through the eligibility requirements.



Small Pensions

Under certain conditions, members who have terminated participation in the Fund and have not commenced receiving their pension may be entitled to receive a small pension benefit from the Fund. This means that they would receive their entitlement as a lump-sum payment, less applicable taxes, rather than a monthly pension.

If the actuarial present value of your accrued pension, also called commuted value, is less than 20% of the Year's Maximum Pensionable Earnings (YMPE) in the year you terminated membership, you are entitled to a small pension. The YMPE is set annually by the Canada Revenue Agency. For 2023, the YMPE is \$66,600.



Stay in Touch

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Sign Up for Email Updates

We communicate by email whenever possible. It saves the Plan money, which means we can better serve your needs. Sign up for email alerts from the Plan if you haven't already. If you don't have an email account, don't worry. We will still use Canada Post to reach out to you.

We will send general information, like this newsletter, by email and share it on Facebook.

As always, you can find a full record of all issued general communications on the Plan website, if you miss them the first time around.

Follow us here:



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