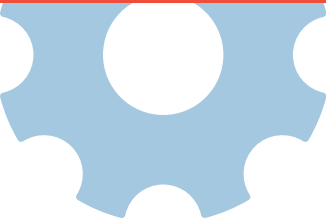


# Gearing Up for Retirement



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## Update from the Trustees

Welcome to another newsletter from the Trustees. 2023 was a challenging year, with soaring inflation 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



## Investment Update

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 are:

- Letko Brosseau
- Montrusco Bolton
- River Road
- William Blair
- TD Asset Management
- Crestpoint

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



## Proposed Legislative Changes

In June 2024, the Ontario government proposed changes to the *Pension Benefits Act* and *Regulation* that will impact how the Fund is governed and funded.

**It is important to note that these changes, as currently proposed, will not impact the Fund's ability to continue to fund and pay your benefits.**

Some of the significant proposed changes include:

- Permanent elimination of solvency funding: Multi-employer Pension Plans have not been required to fund solvency. This exemption is temporary and set to expire on January 1, 2025. The proposed legislation will eliminate solvency funding permanently.
- Provision for adverse deviations: Plans will be required to hold an additional margin, called the provision for adverse deviations, when determining the actuarial cost of accruing benefits.

Once final legislation is released we will keep you informed should any of the changes affect your benefits.

## Plan Funding

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

FSRA 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 FSRA as of January 1, 2023. As of that date, the Fund's contributions and assets are sufficient to cover the Plan's existing benefits and to continue accruing benefits at 1.455% of contributions. There is no requirement nor are there any plans to reduce benefits.

## 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 via conference calls to manage issues as they arise between meetings.



(available from the Fund Office)

## Your Pension Benefits

The contributions remitted on your behalf are pooled into a fund that is invested with the Fund's investment managers in accordance with pension legislation.

These contributions along with future investment income are used to provide you with a **monthly income over your lifetime after you retire.**

The amount of your monthly benefit will depend on the following:

- the length of your service;
- the rate or rates at which employers contributed on your behalf;
- the plan formula in effect when you retire; and
- the provisions of the Plan.

## How Can I Know How Much Pension I Have Earned?

Each year, you receive an Annual Pension Statement that indicates the monthly pension amount you have accrued so far.

To know how much your pension has increased during the year, you must add the monthly pension amount last reported on your Annual Pension Statement, plus the additional pension you have earned since that date if you have worked additional hours in covered employment.

## Who Makes the Decisions on Where the Fund Assets are Invested?

The Trustees are responsible to make the investment decisions and they rely on input from the investment consultant. The Fund assets are invested in a diversified portfolio managed by professional investment managers. The Trustees review the performance of the investment managers on a quarterly basis and meet with each investment manager on an annual basis.

## What Can I Do to Ensure I Have Enough Money to Retire?

The Canadian retirement system is made up of three pillars. Together, these three pillars are designed to provide Canadians with adequate income on retirement.

- Employer sponsored pension plans such as the IAM Labour Management Pension Fund
- Government sponsored plans which include:
  - > The **Canada Pension Plan (CPP)** is funded by contributions from you and your employer as well as the revenue earned on CPP investments. The CPP provides income when you retire or in the event of disability or death.
  - > **Old Age Security (OAS)** is a monthly payment you can get if you are 65 and older, are a Canadian citizen or legal resident and satisfy the residency conditions outline by the Government of Canada.
- Personal savings including but not limited to:
  - > **Registered Retirement Savings Plans (RRSP)** allow Canadians to make tax deductible contributions to an account for purposes of retirement. Any income you earn in your RRSP is exempt from tax as long as the funds remain in the plan. For additional details please visit the government of Canada website: [Registered Retirement Savings Plan \(RRSP\) - Canada.ca](https://www150.com/RRSP)
  - > **Tax Free Savings Accounts (TFSA)** allow Canadians to make contributions, subject to annual limits to an account. Any income earned in the account is generally tax-free. For additional details please visit the government of Canada website: [The Tax-Free Savings Account - Canada.ca](https://www150.com/TFSA)



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



## Stay in Touch

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## Sign Up for Email Updates

Visit [iamlmpf.ca](http://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, where you can keep up to date with all retirement news.

Our goal continues to be to get as many people as possible signed up to communicate with us 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 account.

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

**Follow us here:**



[@IAMPensions](https://www.facebook.com/IAMPensions)



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