

I.A.M. Labour-Management Pension Fund

Frequently Asked Questions

My Pension Benefit

1. What type of benefit does the Plan pay?

The Fund was established to provide you with steady income starting at retirement for the remainder of your life.

Therefore, upon retirement, a monthly pension is paid to you for as long as you live. Depending on whether you have a pension partner when payments start, different optional forms of payments are available to you but will always be paid in the form of a monthly payment.

2. How much will my Pension be?

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

- the length of your service;
- the amount of contributions remitted on your behalf to the Fund;
- the benefit levels in effect when you retire; and
- the provisions of the Plan.

3. 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 up to the end of the prior year.

4. Are my contributions equal to my Pension?

The contributions remitted on your behalf are pooled into a fund that is invested with the Fund's investment managers in accordance with the investment policy. These contributions along with future investment income are used to provide you with a monthly income over your lifetime after you retire.

Your Pension will be determined based on the plan's benefit formula.

5. Will my pension change?

Favourable investment returns and other positive plan experience may lead to a situation where Trustees are able to grant a benefit improvement. However, if the review of the Plan's funded status reveals a deficit that cannot be covered by incoming contributions, the Plan is legally required to take corrective action which may include reducing accrued benefits. As such, benefits should not be viewed as guaranteed. There is currently no requirement nor are there any plans to reduce benefits.

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Retirement Planning

6. What can I do to ensure I have enough money to retire?

The Canadian retirement system is made up of three pillars:

- Occupational pension plans such as the I.A.M. 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 or older, are a Canadian citizen or legal resident and satisfy the residency conditions outlined 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://www.cra.gc.ca/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://www.cra.gc.ca/tfsa)

Together, these three pillars are designed to provide Canadians with adequate income on retirement.

General

7. How do I update my contact information

It's vital to keep your contact information — home address, phone number, and email address — up to date with the administrator so the Plan can share important messages and information with you throughout the year about your pension benefit.

You are required to update your contact information in writing by email admin@iamlmpf.ca or by mail: 304-116 Lisgar St., Ottawa, Ontario, Canada K2P 0C2.

8. How are my contribution to the Fund invested?

Contributions that are received on your behalf are pooled and are held in a trust by an independent custodian in compliance with pension legislation. The money in this trust are the Fund assets and are invested on behalf of all Fund Participants by the Trustees in accordance with the investment policy.

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9. 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.

Leaving Prior to Retirement

10. What is the portability option?

The portability option is a way for you to manage your retirement income directly by transferring the lump sum “commuted value” of your pension to another approved plan. You may be eligible to exercise your portability option if you incur a Break in Service before reaching age 55.

Note that if you elect to transfer your benefit using the portability option, you will not be entitled to any further benefits from the Plan for the period of service related to the transfer, and you will have to re-satisfy the participation requirements should you ever return to Covered Employment.

11. Why is the payment of my commuted value locked-in?

Funds that are transferred out of a registered pension plan are meant for retirement income. Therefore, applicable provincial legislation requires the money to be locked-in to ensure that the funds will be available to you on retirement. There are limited exemptions to the locking-in rules.

12. Why is there a waiting period between the time I leave work and the time the portability option is offered?

Breaks in Service occur when contributions are not remitted to the plan on the member's behalf for 24 consecutive calendar months. The 24-month period is designed to help members who change jobs, moving from one participating employer to another, to stay in the Fund. In that situation, your membership is unbroken and there is no need to go through the eligibility conditions again on re-employment.

Life Events

13. What should I do when I am preparing for retirement?

Apply for a pension benefit by completing and submitting the necessary forms to the Fund Office.

Make sure you submit proof of age for yourself and your pension partner, and proof of marital status (if applicable), when you submit your forms.

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14. What if my family status changes?

When a change in family status occurs – whether it is a marriage, a divorce, a death or the birth of a child – it's a good idea to think about the effect of that event on all of your benefits – not just this Plan – and any beneficiary designations and coverage elections you may have made. Contact the Fund Office if you have any questions about the effect of these events under the plan and update your information.

15. What happens if I get divorced before or while receiving my pension?

If you have a divorce, separation, annulment, or dissolution of any relationship where your partner met the definition of pension partner under the governing legislation, your Plan benefit may be subject to division under provincial matrimonial property laws.

The determination of the applicable laws can depend on the province where you were employed, where you and your pension partner or former pension partner reside at the time of the marital breakdown, or other factors such as the length of the relationship.

To be sure of the laws applicable to you, you should consult a lawyer with experience in family law matters. In general, though, depending on the laws applicable to you, your former pension partner may be entitled to receive a lump sum benefit equal to a portion of your Plan benefit or a portion of the monthly payments you receive once you start collecting your pension. In either case, the benefit you receive at retirement will be less than it otherwise would have been.

In all cases, the proper legal documentation must be submitted to the Plan before any division of benefits is made. Note that the plans may charge a fee (as provided for under the legislation) to calculate the benefits payable in the event of a marital relationship breakdown.

Death Benefits

16. What happens if I die prior to retirement?

If you die prior to commencement of your pension your pension partner may elect to receive the lump sum commuted value of your accrued pension, or a monthly pension equivalent in value to the commuted value. If you do not have an eligible pension partner, your beneficiary will receive the lump sum commuted value of your accrued pension.

17. What happens if I die after I start receiving my benefit?

If you die after you start receiving your pension benefit, your eligible pension partner or beneficiary may receive a benefit, depending on the type of benefit you selected at retirement.