Planning for your Retirement

A guide to your
BC Labourers'
Pension Plan

All information in this Plan Booklet applies to service breaks after September 30, 2015 and reflects the Plan provisions as of December 31, 2017.

Contents

Please Contact the Plan Administration Office with any questions:

British Columbia Labourers' Pension Plan
Suite 100 19092 26th Avenue
Surrey BC V3Z 3V7
Phone 604 538 6640
Fax 604 538 6680
1 800 964 3666
Email inquiry@lmppbc.ca

The British Columbia Labourers' Pension Plan is registered with the Financial Institutions Commission of British Columbia under plan registration number P085909.

You may examine certain documents of the BC Labourers' Pension Plan by submitting a written request to the Plan Administration Office. Access will be granted within ten (10) working days after receipt of the written request and without charge. This examination must take place during regular office hours.

Overview of the BC Labourers' Pension Plan ("the Plan")

Helping to provide for your financial well-being in retirement is one of the most important things CSWU 1611 does for its members.

CSWU 1611 is proud to sponsor a pension plan for its members. The Plan has been in place since 1976 and became a Target Benefit Pension Plan on December 31, 2017.

Your employer makes pension contributions in respect of the hours you work under covered employment. The Plan Administration Office makes sure these contributions are collected and deposited into the Pension Fund.

The Plan's Board of Trustees ("the Trustees") use a professional investment consultant to help set investment strategy and to monitor the Pension Fund's investment performance. The Trustees retain professional investment managers to invest the Pension Fund money.

The Trustees continuously monitor the Plan's financial health and its ability to continue to provide the desired benefits.

When you retire, you will receive a monthly lifetime pension from the Plan based on the length of your Plan membership. You can choose from various forms of payment at retirement.

When combined with the Canada Pension Plan, Old Age Security, and your own personal savings, the BC Labourers' Pension Plan helps provide a reasonable amount of lifetime retirement income.

Joining the Plan

How do I join the Plan?

If you are a union member with a participating employer, you become a member of the Plan once you have banked at least 700 hours (worked or prorated*) within two consecutive calendar years. An "hour bank" will be administered on your behalf to determine when this requirement has been met. You must be a member of the Construction and Specialized Workers' Union Local 1611 to join the Plan and to work on a union job site. **See page 6 for information on Prorated Hours.*

A Participating Employer:

- has signed a Collective Agreement that requires contributions to the BC Labourers' Pension Plan;
- has been accepted by the Trustees; and
- remits the required contributions.

How does the hour bank work?

If you've met the 700 hours requirement at the end of a calendar year:

- your Plan enrollment is back-dated to your first credited hour in your most recent period of consecutive calendar years worked;
- your banked hours (from your first eligible hour as described above) are credited to your pension;
- your pension hour bank is no longer required because you are now a member of the Plan; and
- every hour thereafter, is immediately credited to your pension (until you have a break-in-service).

If you haven't met this requirement at the end of a calendar year where you banked 0 hours, your hour bank is reset to 0.

Can you provide an example of how the hour bank works?

The table below shows four employees who work varying hours in four consecutive years.

- Employee A meets the 700 hours requirement in his first year, so he joins the Plan at the end of year 1 and is credited with 1,000 hours.
- Employee B meets the 700 hours requirement in his second consecutive year, so he joins the Plan at the end of year 2 and is credited with 700 hours.
- Employee C meets the 700 hours requirement in her third consecutive year, so she joins the Plan at the end of year 3 and is credited with 1,650 hours.
- Employee D did not meet the 700 hours requirement in his second consecutive year, and because he did not work any hours in his second year, his hour bank is reset to 0. He comes back however and meets the requirement during his next two consecutive calendar years, so he joins the Plan at the end of year 4 and is credited with 700 hours.

	Hour Bank			
Year Ending Dec 31	**Employee A**	**Employee B**	**Employee C**	**Employee D**
Year 1	1,000	350	300	350
Year 2		350	350	0
Year 3			1,000	350
Year 4				350
Plan Entry	end of Year 1	end of Year 2	end of Year 3	end of Year 4
Credited Hours	1,000	700	1,650	700

What happens if I stop working?

Your membership in the Plan ends when you work less than 350 hours in covered employment over a time period of two consecutive calendar years (unless you're unable to work because of a disability). This is called a break-in-service. *See page 13 for information on break-in-service options.*

Covered employment means employment with a participating employer who contributes on your behalf to the Pension Fund under the requirements of a Collective Agreement.

Can I rejoin the Plan after incurring a break-in-service?

Yes, you may become a member again under the Plan's eligibility rules – by completing 700 hours within two consecutive calendar years with a participating employer who is contributing to the Plan on your behalf.

Is my benefit vested?

Once you become a member of the Plan, your pension benefit is vested, meaning you will keep your pension when you have a break-in-service.

The vesting rules were different for service breaks before September 30, 2015. All information in this Plan Booklet is in respect of service breaks after September 30, 2015. Please contact the Plan Administration Office if you would like information regarding a past period of service.

Credited Plan Service

How do I earn credited service in the Plan?

You earn Membership Service Credit based on your Prorated Hours.

Prorated Hours

Your Prorated Hours are based on your hours worked and the Benchmark Contribution Rate. The Benchmark Contribution Rate is currently $2.75 per hour worked, as set by the Trustees. Some employers contribute at a higher rate. For example, if your employer contributes $3.00 per hour worked (9% higher than the benchmark rate), you will earn 1.09 Prorated Hours for every hour you actually work.

Prorated Hours		Earned Membership Service Credit
May 1, 1976 to Apr 30,1993	May 1, 1993 to Dec 31, 2006	
less than 300	less than 350	0
300 to 599	350 to 699	¼ year
600 to 899	700 to 1,049	½ year
900 to 1,199	1,050 to 1,399	¾ year
1,200 or more	1,400 or more	1 year

For covered employment after December 31, 2006, you are credited 1 year of membership service if you have 1,400 or more Prorated Hours in a Plan year. If you have less than 1,400 Prorated Hours in a Plan year, you are credited a portion of a year of membership service. For example, if you have 1,148 Prorated Hours, you are credited .82 years of membership service (1,148 divided by 1,400).

Pension Benefit

When can I retire?

The Plan's "Normal Retirement Age" is age 65, but you can retire on a reduced pension as early as age 55. *See page 8 for information on early retirement.*

What will my monthly pension benefit be at retirement?

Your pension is based on your history of credited service and Prorated Hours in the Plan.

The table below outlines the pension you earn for each period of service. *See pages 3 for information on credited service and Prorated Hours.*

Period of Service	Pension Paid Until Age 65	Pension Paid After Age 65
Membership Service Credit May 1, 1976 to April 30, 1995	$31.00 per month for each year of Membership Service Credit	$15.50 per month for each year of Membership Service Credit
Membership Service Credit May 1, 1995 to Dec 31, 2006	$37.20 per month for each year of Membership Service Credit	$18.60 per month for each year of Membership Service Credit
Total Hours from Jan 1, 2007**	$0.03 per month for each Prorated Hour	$0.03 per month for each Prorated Hour

*** Your earned pension with respect to service after 2006 is <u>not reduced</u> at age 65.**

Your pension benefit will at least be equal to the benefit that could have been provided by the greater of your Required Contribution Account plus interest, and your Self-Payments plus interest.

Required Contribution Account:

If you were participating in the Plan before May 1, 1993, a Required Contribution Account was set up in your name, and a portion of the contributions made on your behalf during the years leading up to May 1, 1993 was credited to this account.

See page 18 for a sample calculation.

Can I return to work after I start receiving my pension?

Yes, you can collect a pension and continue to work, but you cannot earn further pension benefits in the Plan.

Early Retirement

Can I retire before age 65?

You can retire on an Early Retirement Pension at age 55 or older.

What would my Early Retirement Pension look like?

If you choose to retire early, your pension may be reduced because it will be paid for a longer period than if you retired at age 65. The amount of reduction depends on your age when you break service and your credited service in the Plan (including any Reciprocal Service, if applicable).

You are entitled to smaller early retirement reductions (also called special early retirement benefits) if:

- you were age 55 or older on your date of break-in-service and had 5 or more years of credited service, or
- you were between ages 50 and 55 on your date of break-in-service and had 10 or more years of credited service.

If you meet one of the special early retirement benefits requirements above, then:

Your pension is unreduced at age 60 *(see table on page 7, columns "Pension Paid Until Age 65" and "Pension Paid After Age 65").* If you retire before age 60, your pension will be reduced as follows:

- For credited service before January 1, 2007, your pension is reduced by 2/3% for each month that your early retirement date precedes age 60. For example, if you retire at age 59, this portion of your pension will be reduced by 8% (2/3% x 12 months).
- For Prorated Hours after January 1, 2007, your pension is reduced by 1/2% for each month that your early retirement date precedes age 60. For example, if you retire at age 59, this portion of your pension will be reduced by 6% (1/2% x 12 months).

If you <u>do not</u> meet either of the special early retirement benefits requirements above, then:

Your pension is unreduced at age 65 *(see table on page 7, column "Pension Paid After Age 65")*. If you retire before age 65, your pension will be reduced because it will be paid for a longer period. Your pension will be reduced so that the value of the pension payable at your early retirement date equals the value of the pension that would have been payable from age 65.

Your pension will not be less than the benefit that could be provided by:

- Your Self-Payments plus credited interest, if you have less than 6,000 Prorated Hours of covered employment; and

- The greater of your Self-Payments plus credited interest and Required Contribution Account plus credited interest, if you have 6,000 or more Prorated Hours of covered employment.

Reciprocal Service
The Plan has an agreement with certain other LiUNA registered pension plans where service under each is jointly recognized. Please contact the Plan Administration Office if you feel you may have worked for one of these recognized pension plans so that we may determine if you are eligible for a partial benefit. Your benefit will be based solely on your earned pension in this Plan, but service in another recognized pension plan will be considered when determining your break-in-service date and applying the special early retirement benefits.

Latest Retirement

What is the latest I can retire?

Your latest retirement date is December 1st of the year in which you turn 71. You will be sent a retirement options package at that time.

Can I keep working after I turn 71?

You can keep working after you turn 71, but you cannot earn pension benefits past December 1st of the year in which you turn 71.

Optional Forms of Pension

Do I have different choices of pension payment at retirement?

When you retire, you may be provided different pension options based on your marital status at that time.

Normal Form Pension

Your normal form pension is a lifetime monthly pension, guaranteed for 5 years. In the event that you die before receiving 60 payments, the remainder will be paid to your designated beneficiary.

Joint and Survivor Forms of Pension

If you have a qualifying spouse at retirement (as defined below), you will have the option of choosing a "Joint and Survivor" form of pension that provides both you and your spouse with a monthly pension for as long as either of you are alive. If your spouse dies before you, there is no change to your monthly pension. If you die before your spouse, your spouse will receive a percentage of your pension (60%, 75%, or 100%, as you elect) for their lifetime. If you elect a Joint and Survivor form of pension, it is your spouse at retirement who is entitled to the survivor benefit, regardless of changes to your marital status in the future.

Qualifying Spouse

For purposes of the Plan, you have a qualifying spouse if you are married to a person and have not been living separate and apart for a continuous period of more than two years, or if you have been living with a person in a marriage-like relationship for a period of at least two years.

Are the Joint and Survivor forms of pension worth less that the normal form?

Each form of pension has the same expected value. The Joint and Survivor forms of pension have lower monthly amounts because they continue to your spouse after your death.

Do I have to elect a Joint and Survivor form of pension at retirement if I have a spouse?

Yes, if you have a qualifying spouse at retirement, you are required by provincial law to elect a form of pension that will provide your spouse a lifetime pension of at least 60% after your death. Your spouse however, can waive this requirement by completing a spousal waiver form (this must be signed within 90 days of your pension commencement date to be valid).

If I elect a Joint and Survivor form of pension:

- ***What happens to my pension if my spouse dies?***
  You will continue to receive the same monthly pension for your lifetime.
- ***If my spouse dies and I remarry, is my new spouse entitled to the survivor benefit?***
  No, your pension ceases upon your death.
- ***If I die, what happens to my spouse's survivor pension he/she remarries?***
  Your spouse is entitled to the monthly survivor pension for his/her lifetime, regardless of future changes to his/her marital status.
- ***What happens to my pension if my spouse and I divorce?***
  There is no change to the form of pension you elected at retirement. You should contact the Plan Administration Office for more information.
- ***What should my spouse do if I die?***
  Your spouse should contact the Plan Administration Office as soon as possible to start the survivor's pension.

Pre-Retirement Death Benefit

What happens if I die before I start my pension?

If you die before you start your pension, a death benefit equal to the value of your earned pension to your date of death will be paid to your qualifying spouse, or if you do not have a spouse on your date of death, to your designated beneficiary. If you do not have a spouse and have not designated a beneficiary, the death benefit will be paid to your estate.

Designated Beneficiary

If you do not have a qualifying spouse, you can designate a beneficiary (or beneficiaries) to receive your pre-retirement death benefit.

If you do have a qualifying spouse, he/she is first in line for your pre-retirement death benefit, but you can designate a secondary beneficiary to receive the death benefit in the event that both you and your spouse die.

If you do not have a qualifying spouse or designated beneficiary when you die, the death benefit is paid to your estate.

Can my spouse waive his/her beneficiary rights to my death benefit?

Yes, your spouse can waive their beneficiary rights to your death benefit by completing the appropriate waiver <u>before your death</u>. Please contact the Plan Administration Office for more information.

How do I designate (or change) a beneficiary?

Please contact the Plan Administration Office for the appropriate form.

What does my spouse/beneficiary need to do in order to receive the death benefit?

The Plan Administration Office should be contacted as soon as possible so that a death benefit options package can be sent to the appropriate person.

Break-In-Service Options

What happens if I stop working in covered employment?

If you work less than 350 hours in covered employment over a time period of two consecutive calendar years, you will have a break-in-service (unless you're unable to work because of a disability). Your record will be reviewed each year at Dec 31 to determine if you have had a break-in-service.

Do I lose my pension benefit?

You will keep your pension if you have a break-in-service. We check all Plan members at December 31 each year to determine who has had a break-in-service. If you had a break-in-service at December 31, you will be provided an options package in March of the following year that describes the options available to you.

The vesting rules were different for service breaks before September 30, 2015. All information in this Plan Booklet is in respect of service breaks after September 30, 2015. Please contact the Plan Administration Office if you would like information regarding a past period of service.

What are my options if I have a break-in-service?

If you are under age 55

You will be provided a termination options package outlining two choices:

- You may leave your benefit in the Plan and draw a pension at a later date (known as a deferred pension); or
- You can transfer the lump sum value (known as the Commuted Value) of your pension benefit out of the Plan.

Commuted Value

The lump sum value of the lifetime retirement pension you have earned in the Plan, based on the long term assumptions as set in the most recent actuarial valuation.

If you do not make an election within 90 days of receiving your options statement, you will be deemed to have chosen the deferred pension option, and should contact the Plan Administration Office at least 90 days before you wish to start receiving your pension. You must also contact the Plan Administration Office if you have a change of address during this time.

If you are age 55 or older

You will be provided a termination options package that gives a brief description of the monthly pension available to you at different dates. You must contact the Plan Administration Office at least 90 days before you wish to start receiving your pension.

What options do I have if I choose to transfer my lump sum out of the Plan?

Subject to provincial regulations, you may transfer your lump sum:

- to a Locked-In Retirement Account (or to an RRSP if the amount is not locked-in); or
- to another registered pension plan, if the money is accepted; or
- if the amount is not locked-in, as a cash payment, less withholding tax.

How do I know if my lump sum is locked-in?

Your lump sum is normally locked-in. However, it is not locked-in if your Commuted Value is less than 20% of the Year's Maximum Pensionable Earnings (the YMPE) in the year of calculation. As an exception, your pension benefit with respect to service before January 1, 1993 is not locked-in. Your choices will be clearly laid out in the options package you will be provided.

Year's Maximum Pensionable Earnings (YMPE)
An approximation of the average Canadian wage, defined each year by the government for the purposes of determining maximum pension contributions and benefits.

Are there any other circumstances under which my pension benefit can be unlocked?

Your pension benefit may be unlocked if:

- you permanently leave Canada; or
- a medical doctor certifies you have a terminal illness that is likely to considerably shorten your life.

Please contact the Plan Administration Office if you feel either of these circumstances apply to you.

What happens if I choose to leave my pension benefit in the Plan?

Your pension benefit will remain in the Plan until you are ready to retire. You will not earn any further benefits. You should contact the Plan Administration Office at least 90 days before you wish to start receiving your pension. You must also contact the Plan Administration Office if you have a change of address during this time.

Are there any circumstances under which I cannot draw a pension from the Plan at retirement?

Yes, if the Commuted Value of your pension benefit is less than 20% of the Year's Maximum Pensionable Earnings (YMPE) in the year of calculation, you may be required to transfer your lump sum out of the Plan.

Are there any circumstances under which I can transfer my pension entitlement while still working in covered employment?

Yes, if you are a member of the Plan under age 55 and have worked less than a total of 350 Hours in two consecutive calendar years, you may elect to transfer your pension benefit out of the Plan. We check all Plan members at December 31 each year. If at December 31, you are under age 55 and have worked less than a total of 350 Hours in two consecutive years, you will be provided an options package in March of the following year that describes the options available to you.

The vesting rules were different before September 30, 2015. If you were under age 55 and worked less than a total of 350 Hours in two consecutive calendar years on or before December 31, 2014, <u>you only would have received an options package if you were vested in the Plan</u>. Please contact the Plan Administration Office if you would like information regarding a past period of service.

How the Pension Plan is Run

Who is in charge of the Pension Plan?

You elect the Executive Board which in turn appoints the Plan's Board of Trustees. The Trustees manage the Plan in the best interests of all Plan members.

What do the Trustees do?

They oversee the operation of the Plan, set policies, selecting the professionals (such as actuaries and investment managers) that provide services to the Plan, and monitor the Plan's financial health. They also make sure the Plan meets the requirements of provincial and federal pension laws.

Running a Pension Plan includes three major areas:

- Collecting contributions – ensuring employer contributions are coming in properly;
- Investing – making sure the Pension Fund is being invested prudently; and
- Administering benefits – sending out pension cheques, answering members' questions, keeping track of years of service and hours worked, and reporting to members and government regulators.

What does my employer do?

Your employer contributes to the Plan as required in the Collective Agreement between your employer and the union. Your employer also reports certain pension information on your annual T4 tax slip. Your employer is not involved in running the Plan and is not entitled to any of the money in the Pension Fund.

What if the Plan's assets aren't enough to cover the intended benefits?

The Trustees are required to file an actuarial valuation report with the pension plan regulators at least once every three years. An actuarial valuation measures the Plan's financial health and is performed by a qualified actuary.

If an actuarial valuation shows that the Plan doesn't meet minimum funding tests, then benefits must be reduced.

Also, if an actuarial valuation shows that there are not enough assets to cover the intended benefits, then lump sum payouts from the Plan (for example paid on break-in-service, retirement or death) will be reduced to reflect the shortfall in funds. This is true, even if the Plan meets the minimum funding tests.

If the Plan was ever terminated and the Plan assets weren't sufficient to cover the cost of members' Plan termination benefits, then benefits would be reduced.

The Trustees maintain policies designed to safeguard the Plan's financial health and minimize the likelihood of a benefit reduction. They also continuously monitor the Plan's financial health.

Sample Pension Calculation

To calculate your pension, you need your credited service per period to December 31, 2006, and your total Prorated Hours from January 1, 2007 on. *See page 6 for information on credited service and Prorated Hours, and the table on page 6 for benefit levels per period of service.*

The following is a sample calculation. You can use this method to calculate your own pension.

The following sample is based on the following assumptions:

- current age = 41
- pension credits earned to date = 6 years credited service + 18,000 Prorated Hours after Jan 1, 2007
- future Prorated Hours = 2,000 per year from age 41 to age 60
- retirement age = 60
- pension guaranteed for 5 years (no survivor pension)

This member's pension will be unreduced at age 60 because he will be over age 55 when he breaks service and will have more than 5 years of credited service. *See page 8 for information on early retirement.*

Pension Paid Until Age 65

Period of Service	Credited Service and Prorated Hours	Calculation	Pension Paid Until Age 65
Membership Service Credit May 1, 1976 to April 30, 1995	1 year	1 year x $31.00 =	$31.00 per month
Membership Service Credit May 1, 1995 to Dec 31, 2006	5 years	5 years x $37.20 =	$186.00 per month
Total Prorated Hours from Jan 1, 2007	56,000 = 18,000 + (2,000 x 19 years)	56,000 x $0.03 =	$1,680.00 per month
		Total pension paid until age 65	**$1,897.00 per month**

Pension Paid After Age 65

Period of Service	Credited Service and Prorated Hours	Calculation	Pension Paid After Age 65
Membership Service Credit May 1, 1976 to April 30, 1995	1 year	1 year x $15.50 =	$15.50 per month
Membership Service Credit May 1, 1995 to Dec 31, 2006	5 years	5 years x $18.60 =	$93.00 per month
Total Prorated Hours from Jan 1, 2007	56,000 = 18,000 + (2,000 x 19 years)	56,000 x $0.03 =	$1,680.00 per month
Total pension paid after age 65			**$1,788.50 per month**

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