

# *i n t r o d u c t i o n*

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*The information in this booklet summarizes the main features of the UFCW Union Pension Plan (the Plan) for eligible Overwaitea*



*employees only. It does not create nor confer any rights to benefits. Not every detail can be contained in a summary such as this. In the event of any discrepancy or misunderstanding, benefits will be determined and paid according to the official Plan documents and the applicable legislation.*

The glossary at the back is provided to help you understand the pension terms used in this booklet.

In addition to this booklet, you will receive an annual statement from the Plan Administrator that provides a record of your benefit entitlements under the Plan. You should keep these statements for your own records.

If you have any questions or require further information, please contact the Plan Administrator.

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# plan background

Before 1998, you may have been a member of the Overwaitea Food Group Pension Plan, the Retail Meat Industry Pension Plan, or the Retail Clerks Industry Pension Plan. In 1998, the Retail Meat and the Retail Clerks Industry Pension Plans merged and became the UFCW Union Pension Plan. UFCW members employed by Overwaitea entered into the merged Plan around that same time.

The UFCW Union Pension Plan is a jointly trustee pension plan. This means that the Plan is jointly managed by Trustees appointed by the employers, by UFCW Local 2000 and by UFCW Local 1518. There is a Trust Agreement setting out the Trustees' duties and responsibilities. They include ensuring that:

- proper records are maintained
- the terms of the Plan are administered consistently and in accordance with the law, and
- the Plan funds are invested for the benefit of members and in accordance with the laws regulating pension plan investments.

One of the unique features of the Plan is that it has six separate divisions. The pension funds are combined for investment purposes, but a separate accounting for each division is maintained to ensure that the assets of one division are not used to support the benefits of another division. Each division has its own Retirement Committee made up of both employer and union appointees.

The divisions include:

- Overwaitea Food Group
- Canada Safeway
- Loman Warehousing
- UFCW Local 1518
- UFCW Local 2000
- Tober Enterprises

The Retirement Committees make recommendations to the Trustees on such issues as:

- the development of benefit schedules for the divisions
- creation of an investment policy applicable to the division
- subsequent changes to the divisions' investment policies, and
- the development of communication and education programs for division members

# changes to the plan effective january 1, 1998

Your pension plan was significantly amended after your collective bargaining agreement was negotiated in 1997.

The changes that will have the biggest impact on you, as a Plan member employed by Overwaitea, include the following:

1. Introduction of a divisional structure: This means that the contributions made to the Plan by Overwaitea are only used to support the benefits of members in the Overwaitea Division. Similarly, the contributions made by the employers in each of the Plan's other five divisions are only used to support the benefits of members in those divisions.
2. Increased benefit rate for service before 1998: If you were a member of the former Retail Meat or Retail Clerks Industry Pension Plan, the benefit rate for your service before 1998 increased to \$50 per month for each year of your credited service.
3. Extension of a bridge benefit: If, on your retirement date, you meet the age and service requirements detailed on page 8, you will be entitled to receive a bridge benefit from the Plan until you reach age 65. (If you were a member of the former Retail Meat Industry Pension Plan, you may have already been entitled to this benefit).

# plan membership and contributions

4. New Benefit Formula for service after 1997: The pension you earn after 1997 is based on a percentage of your annual earnings; the percentage amount is gradually “phased in” and increases from 0.9% of your earnings in the first three years to 1.6% of your earnings in 2003. The benefit formula is explained in more detail on page 6.

The intention of the Trustees is to ultimately provide Plan members employed by Overwaitea with a pension equal to 1.6% of earnings for each year after 1997. However, the constraints imposed by the phasing in of the increased employer contribution rates (see page 7) and the funding requirements of the Pension Benefits Standards Act mean that, initially, it is only possible to provide Plan members with the 1.6% of earnings formula in 2003.

5. Minimum Benefit Payable on Retirement: In recognition of the fact that the benefit level does not reach 1.6% of your *earnings* until 2003, the Trustees established a minimum benefit payable on retirement for members retiring before 2003. You will find a detailed explanation of this minimum on page 7.

## *Becoming a Member*

Overwaitea makes a contribution for each Overwaitea employee covered by a collective agreement between the company and either UFCW Local 1518 or UFCW Local 2000. Your Plan membership begins as soon as Overwaitea makes a contribution to the pension fund on your behalf.

## *Contributions*

Contributions are payable in accordance with the collective agreement. Overwaitea makes contributions for all eligible employees. If you are age 30 or older, you also make contributions to the Plan.

### Employer Contributions

Each month, Overwaitea makes contributions to the pension fund on your behalf as follows:

| Date              | Amount of Employer Contributions |
|-------------------|----------------------------------|
| January 1, 1998   | 3% of your earnings <sup>1</sup> |
| December 31, 2000 | 4% of your earnings              |
| December 31, 2001 | 5% of your earnings              |
| March 31, 2003    | 6% of your earnings              |

### Employee Contributions

The amount of your employee contributions to the Plan is based on your age and calculated as follows:

| Age          | Amount of Employee Contributions Deducted per Paycheque |
|--------------|---|
| 30 - 39      | 1% of your earnings                                     |
| 40 - 49      | 2% of your earnings                                     |
| 50 and older | 4% of your earnings                                     |

<sup>1</sup>Your earnings are the total compensation paid to you by Overwaitea and reported as earnings on your T4 form excluding any taxable benefits.

# calculating your pension benefit

Your pension benefit under the Plan has three parts:

## A

The benefit you earned before 1998 under the former Retail Meat or Retail Clerks Industry Pension Plans, which is equal to:  
 $\$50 \text{ per month} \times \text{each year of credited service up to December 31, 1997}$

Important note: If you were a member of the Overwaitea Food Group Pension Plan before 1998, you should contact the Overwaitea Plan Administrator for information regarding your benefit under that pension plan. This portion of your pension benefit is provided directly from the Overwaitea Plan.

PLUS

## B

The benefit you earn after 1997 is a percentage of your earnings during each period as follows:

| Year                       | Monthly Pension Formula                 |
|----------------------------|---|
| Jan 1, 1998 - Dec 31, 2000 | $1/12 \times 0.9\% \text{ of earnings}$ |
| Jan 1, 2001 - Dec 31, 2001 | $1/12 \times 1.2\% \text{ of earnings}$ |
| Jan 1, 2002 - Dec 31, 2002 | $1/12 \times 1.4\% \text{ of earnings}$ |
| Jan 1, 2003 and after      | $1/12 \times 1.6\% \text{ of earnings}$ |

PLUS

## C

The benefit after 1997 provided from the employee contributions you make to the Plan

# retirement benefits

There are some benefits that apply only if you **retire** from the Plan:

- a minimum pension benefit
- an additional minimum benefit payable in respect of your own contributions, and
- a temporary supplemental benefit, also known as a bridge benefit.

## Minimum Pension Benefit upon Retirement

If you retire between January 1, 1998 and December 31, 2002, you will receive the pension calculated on page 12 except that Part B is equal to the greater of:

- 1.6% of your total earnings from January 1, 1998 until you retire  $\div$  12  
OR  
\$50 per month per year of credited service

## Benefit in Respect of your Contributions

With respect to the contributions you make to the Plan, upon retirement, you may decide to either:

- transfer the amount in your Employee Contribution Account to an approved *locked-in* vehicle, such as another registered pension plan, an RRSP, or purchase an annuity from a Canadian insurance company.
- OR
- receive the greater of:
    1. a monthly pension provided by multiplying the amount of your employee contributions without interest by 15% and dividing by 12, or
    2. the monthly pension provided by your employee contributions with *credited interest*<sup>2</sup> as calculated using annuity factors determined by the Plan Actuary.

<sup>2</sup>Credited interest is equal to the annual fund rate of return and is credited at the end of each Plan year.

## Temporary Supplemental Retirement Pension

Based on your age and years of *credited service* at retirement, you may be entitled to a temporary supplemental pension. This benefit is added to your regular pension benefit if you retire between the ages of 55 and 65.

If you retire as an active member of the Plan after reaching age 55 and the sum of your *credited service*, including your credited service under the Overwaitea Food Group Pension Plan, and age on your retirement date totals 80 or more, you will qualify for a temporary supplemental pension, if you are:

- A Local 1518 member aged 53 or older on January 1, 1998, or
- A Local 2000 member.

It is the Trustees' intention to gradually extend this benefit to all Local 1518 members who retire from Overwaitea and meet the age and credited service requirement. The extension will be phased in over time based on the Plan's financial condition.

If you qualify, you will receive a supplemental monthly benefit equal to:

- \$200 per month between retirement and age 60, and
- \$100 per month between the ages of 60 (or your retirement date if later) and age 65.

Payment of your temporary supplemental retirement pension benefit will stop at the end of the month in which you die or the end of the month in which you turn 65, whichever is earlier.

## Retirement Pension Dates

### Normal Retirement

Your *normal retirement date* under the Plan is the last day of the month in which you reach age 65.

### Early Retirement

You are eligible for early retirement under the Plan on the last day of the month in which you reach age 50. Depending on your age, your retirement pension may be reduced.

#### UNREDUCED EARLY RETIREMENT

If you have *credited service* after age 50 and you retire on or after age 60, you may receive an unreduced pension with Trustee consent<sup>3</sup>. If Trustee consent is not granted for any reason, you may still choose to retire early, however, your pension will be reduced.

#### REDUCED EARLY RETIREMENT

If you have *credited service* after age 50 and decide to start receiving your pension before age 60, your pension benefit will be reduced.

The reduction factors from your *normal retirement date*, with Trustee consent, are as follows:

- $\frac{1}{2}\%$  for each month (6% per year) from age 50 to 55, and
- $\frac{1}{4}\%$  for each month (3% per year) from age 55 to 60.

The table at right illustrates the total early retirement reduction (with Trustee consent) from your *normal retirement date*.

| Pension Starting At Age: | Early Retirement Reduction |
|--------------------------|----------------------------|
| 60 - 69                  | 0%                         |
| 59                       | 3%                         |
| 58                       | 6%                         |
| 57                       | 9%                         |
| 56                       | 12%                        |
| 55                       | 15%                        |
| 54                       | 21%                        |
| 53                       | 27%                        |
| 52                       | 33%                        |
| 51                       | 39%                        |
| 50                       | 45%                        |

<sup>3</sup> Trustee consent is granted on a non-discriminatory basis. It is not intended to withhold Trustee consent while the Plan is operational.

For example, if you retire at age 57 and 4 months, with Trustee consent, your normal retirement pension will be reduced by 8% (i.e.,  $\frac{1}{4}$  of 1% for each month [32 months] until you reach age 60).

If Trustee consent is not granted for any reason, you may still choose to retire early. However, your pension will be calculated using reduction factors ranging from 6% to 7% per year from your *normal retirement date*. The Actuary will determine the exact amount of the reduction.

### *Postponed Retirement*

You may receive a pension after your *normal retirement date* without reduction. According to Revenue Canada regulations, you cannot postpone receipt of your retirement pension beyond the end of the calendar year in which you turn age 69.

### *Retirement Pension Options*

As required by law, all retirement pension options pay your pension for your lifetime. The only difference between the options is what happens to your pension payments after you die. All pension options have the same actuarial value, which is based on the normal pension option. However, with the options other than the normal option (except the life only option), the amount of pension you receive will be less – to account for the payments that continue following your death. The amount of pension you receive with the life only option will be more than the normal option as there are no payments made after your death.

Deciding which pension option to choose is an important personal decision that you must make after careful consideration of the alternatives. Once the choice has been made – you cannot change your mind at a later date. You must select one pension option before your retirement and, once it starts, it cannot be changed. It is very important for you to discuss these options with the Plan Administrator before your retirement date.

#### Normal Pension Option

The normal pension option is paid for your lifetime with a minimum guarantee of 60 monthly payments (five years). This means that if you die before 60 monthly payments have been made, the payments for the balance of the five-year period will be paid to your *beneficiary* or estate.

#### Joint and Survivor Option Required for Members With a Spouse

The Pension Benefits Standard Act requires that if you have a *spouse* when you retire, you **must** select a pension option providing at least 60% of your pension to your spouse for his or her lifetime after your death. However, your spouse may decline this coverage by completing a waiver form. Waiver forms are available from the Plan Administrator.

#### Other Options

You may select one of the following pension options:

##### LIFE ONLY

In the Life Only Option, your pension is payable for as long as you live; there are no payments after your death even if it occurs three months after your retirement.

##### LIFE WITH GUARANTEE

In the Life With Guarantee Option, your pension is payable for as long as you live; however, you may choose to guarantee your pension payments for either 10 or 15 years. If you die before the end of the guaranteed period, the pension continues to be paid to your *beneficiary* or estate until the end of the guaranteed period. For example, if you select a life pension guaranteed for 10 years and you die before receiving 120 monthly pension payments (i.e., 10 years x 12 monthly payments), the payments for the balance of the 10-year period will be paid to your *beneficiary* or estate.

##### JOINT AND LAST SURVIVOR

In the Joint and Last Survivor Option, your pension is payable for as long as you live; however, you may choose to provide 60%, 75% or 100% of your pension to your *spouse* after your death. Your *spouse* is referred to as your *joint pensioner*. A *joint pensioner* can only be the person who was your *spouse* on your retirement date.

# sample pension calculations

## 1 Former Retail Meat Industry Pension Plan (RMIPP) member Member of UFCW Local 2000

Retirement Date . . . . . December 31, 2002  
 Age at Retirement . . . . . 55  
 Credited Service until January 1, 1998 . . . . 25 years  
 Credited Service from January 1, 1998 . . . . 5 years

| Year         | Earnings          | Employee Contributions |
|--------------|-------------------|------------------------|
| 1998         | \$ 41,600         | \$ 1,664               |
| 1999         | 42,016            | 1,681                  |
| 2000         | 42,436            | 1,697                  |
| 2001         | 42,860            | 1,714                  |
| 2002         | 44,146            | 1,766                  |
| <b>TOTAL</b> | <b>\$ 213,058</b> | <b>\$ 8,522</b>        |

### PENSION CALCULATION

For service to 12/31/97 (See pg. 6)  $25 \times \$50$  \$ 1,250.00

For service after 12/31/97 (See pg. 6)  
 Greater of  $\frac{1.6\% \times 213,058}{12} =$  \$284.08

**OR**

$5 \times \$50$  \$250.00 284.08  
 \$ 1,534.08

Minimum Benefit from Employee Contributions (See pg. 7)  
 $\frac{15\% \times 8,522}{12}$  \$ 106.53

*[NB – Member could have transferred amount in Employee Contribution Account to an approved locked-in vehicle in lieu of receiving additional monthly pension from the Plan.]*

Pension \$ 1,640.61

Reduced by 15% for Early Retirement (See pg. 9) < 246.09>

**Total Pension at Age 55 \$ 1,394.52**

Additionally, the Member will receive a bridge benefit of \$200 per month until age 60, and then \$100 per month until age 65. See page 8 for more details.

## 2 Former Overwaitea Food Group Pension Plan (OFGPP) Member Member of UFCW Local 1518

Retirement Date . . . . . June 30, 2000  
 Age at Retirement . . . . . 58  
 Credited Service until January 1, 1998 . . . . 25 years  
 Credited Service from January 1, 1998 . . . . 2.5 years

| Year         | Earnings         | Employee Contributions |
|--------------|------------------|------------------------|
| 1998         | \$ 35,000        | \$ 1,400               |
| 1999         | 35,350           | 1,414                  |
| 2000         | 19,443           | 778                    |
| <b>TOTAL</b> | <b>\$ 89,793</b> | <b>\$ 3,592</b>        |

### PENSION CALCULATION

For service to 12/31/97 (See pg. 6) \$ 1,250.00

*[NB – This is the minimum benefit payable under the terms of the OFGPP; the provisions of OFGPP state that an earnings based formula may result in a higher pension for this period of service, in which case the Member would receive the higher amount.]*

For service after 12/31/97 (See pg. 6)  
 Greater of  $\frac{1.6\% \times 89,793}{12} =$  \$119.72

**OR**

$2.5 \times \$50$  \$125.00 \$ 125.00

Minimum Benefit from Employee Contributions (See pg. 7)  
 $\frac{15\% \times 3,592}{12}$  \$ 44.90

*[NB – Member could have transferred amount in Employee Contribution Account to an approved locked-in vehicle in lieu of receiving additional monthly pension from the Plan.]*

Pension \$ 1,419.90

Reduced by 6% for Early Retirement (See pg. 9) < 85.19>

**Total Pension at Age 58 \$ 1,334.71**

Additionally, the Member will receive a bridge benefit of \$200 per month until age 60, and then \$100 per month until age 65. See page 8 for more details.

# termination of membership before retirement

## 3 Former Retail Clerks Industry Pension Plan (RCIPP) Member Member of UFCW Local 1518

Retirement Date . . . . . September 30, 2001  
 Age at Retirement . . . . . 50  
 Credited Service until January 1, 1998 . . . . 27 years  
 Credited Service from January 1, 1998 . . . . 3.75 years

| Year         | Earnings          | Employee Contributions |
|--------------|-------------------|------------------------|
| 1998         | \$ 41,600         | \$ 832                 |
| 1999         | 42,016            | 840                    |
| 2000         | 42,436            | 849                    |
| 2001         | 32,145            | 643                    |
| <b>TOTAL</b> | <b>\$ 158,197</b> | <b>\$ 3,164</b>        |

### PENSION CALCULATION

For service to 12/31/97 (See pg. 6)  $27 \times \$50$  \$ 1,350.00  
 For service after 12/31/97 (See pg. 6)  
 Greater of  $\frac{1.6\% \times 158,197}{12} =$  \$210.93  
 OR  
 $3.75 \times \$50$  \$187.50 210.93  
 \$ 1,560.93  
 Minimum Benefit from Employee Contributions (See pg. 7)  
 $\frac{15\% \times 3,164}{12}$  \$ 39.55

*[NB – Member could have transferred amount in Employee Contribution Account to an approved locked-in vehicle in lieu of receiving additional monthly pension from the Plan.]*

Pension \$ 1,600.48  
 Reduced by 45% for Early Retirement (See pg. 9) <720.22>  
**Total Pension at Age 55 \$ 880.26**

*The Member will not receive an additional bridge benefit as he/she has not reached age 55 on his/her date of retirement. See page 8 for more details.*

Your membership in the Plan terminates on the earliest of the following:

- your date of death;
- your retirement date;
- your break in service date, which occurs at the end of the second consecutive Plan year for which no earnings were reported to the Plan on your behalf; or
- the date following your termination of employment which you transfer the commuted value of your pension out of the Plan.

You will have two or three options (dependent on your age on termination) to choose from with respect to your pension from the Plan if you terminate membership before you retire.

| Your Age on Termination | Immediate Pension | Deferred Pension | Transfer to Locked-in Arrangement |
|-------------------------|-------------------|------------------|-----------------------------------|
| 55 and older            | Yes               | Yes              | No                                |
| 50 to 54-11 months      | Yes               | Yes              | Yes                               |
| 49 and younger          | No                | Yes              | Yes                               |

### *Immediate Pension*

If you are age 50 or older, you can start your pension immediately on your termination of membership. Your pension would be calculated in accordance with the method described on page 12.

### *Deferred Pension*

If you have not reached age 69 when you terminate membership, you may defer starting your pension to anytime between the ages of 50 and 69. Once you elect to commence your pension, it would be calculated in accordance with the method described on page 12.

### *Transfer to a Locked-In Arrangement*

If you are less than age 55 on your termination of membership, you may elect to transfer the *commuted value* of your pension, including the amount in your *employee contribution account*, to:

- an approved, *locked-in vehicle*, such as another registered pension plan, or a locked-in RRSP, or
- purchase a deferred *life annuity* from a Canadian life insurance company.

Please note that the *commuted value* of your pension is based on the amount of pension payable to you from the Plan at age 65; it does not take into account the early retirement subsidies which are offered under the Plan and described on page 8. There is no guarantee that the amount of money transferred out of the Plan will provide you with a pension equal to the pension you would have received had you not elected to transfer the *commuted value* of your pension out of the Plan. Whether the *commuted value* of your benefit will produce the benefits you would receive if you elected to receive a deferred pension from the Plan depends on several factors including:

- the rate of interest earned on the transferred amount up to the date you retire
- your age at retirement, and
- annuity purchase rates in effect on the date you retire.

## *in the event you receive wage loss benefits*

If you are in receipt of *wage loss benefits* (as defined in this booklet) while you are an *actively employed* member at Overwaita, you will continue to earn pension credits under the Plan. Overwaita will report your *deemed earnings* to the Plan during the period of your disability; no employer or employee contributions are required nor permitted while you are in receipt of *wage loss benefits*.

If you are not receiving benefits from your long term disability plan (LTD) or workers' compensation (WCB) and you meet the definition of *totally and permanently disabled* under the Pension Plan, you should contact your *Union* or the Plan Administrator to see if you are eligible for a disability pension from the Plan.

## in the event of your death

If you die before retirement, the Plan provides a pre-retirement death benefit payable to your *spouse*. If you do not have a *spouse* or if your *spouse* has waived his/her right to a pre-retirement death benefit, the benefit is paid to your designated *beneficiary* or estate. Death benefits after retirement are determined by the pension option you choose.

### Before Retirement

If you are an *actively employed* plan member and die **before retirement**, the Plan provides a benefit to be paid to your *spouse*, *beneficiary* or estate equal to:

| If you die before age 60   | If you die after age 60   |
|--|---|
| One half of the <i>commuted value</i> of 60 monthly pension payments earned to date, but not more than the <i>commuted value</i> of your pension earned to your date of death and payable at age 60. | The <i>commuted value</i> of the amount of pension earned to date, assuming you retire at the end of the month preceding your death and selected a Lifetime Pension with a 10 Year Guarantee. |

In accordance with the BC Pension Benefits Standards Act, the pre-retirement death benefit payable in the event of your death must be at least equal to:

- 60% of the *commuted value* of the monthly pension you have earned up to your death and payable at age 65 plus a refund of your employee contributions with interest.

Accordingly, if the formula described in the table above does not equal the minimum amount payable under the Pension Benefits Standards Act (*PBSA*), the 60% *commuted value* formula will apply and your *spouse*, designated *beneficiary* or estate will be paid the higher amount.

### Alternative Settlement of Spouse's Pension

Your *spouse* may choose to receive the pre-retirement death benefit from the Plan in the form of a monthly pension benefit, or he or she may choose to transfer the *commuted value* of the pre-retirement death benefit to:

- another registered pension Plan
- an RRSP or life income fund, or
- purchase a deferred annuity from a Canadian insurance company.

### Who Receives Death Benefits

If you have a *spouse* when you die before retirement, your *spouse* receives the death benefit unless your *spouse* has waived the right to receive your pension. If you do not have a *spouse* or your *spouse* waives the right to receive your pension, the death benefits are paid to your *beneficiary*<sup>4</sup>. If you have no *spouse* and have not designated a *beneficiary*, a pre-retirement benefit will be paid to your estate.

You should complete the Spousal Information/Beneficiary Designation Form so that the Plan records are accurate and up to date. Please note that your *spouse* can waive the right to receive your pension benefit by completing the waiver section of this form.

### After Retirement

Any benefits payable from the Plan on your death **after retirement** are determined by the pension option you elected when you retired and started your pension. Please see page 10 for descriptions of the different options of pension.

<sup>4</sup>A beneficiary is the person or entity you designate to receive your pension in the event of your death.

## *in the event of marital break-up*

If your marriage breaks up, your former *spouse* may be entitled to a portion of the pension you earned under the Plan during the marriage – as determined by the Family Relations Act. The provisions of your court order or written separation agreement will determine how your pension will be shared.

In the event of marital break-up, the Plan Administrator will explain the Plan provisions and supply any required forms.

## *tax considerations*

The contributions Overwaitea makes to the Plan on your behalf are not a taxable benefit to you. Annually, Overwaitea will report the contributions you make to the Plan as Registered Pension Plan contributions; this will reduce your taxable income. Additionally, Overwaitea will report both your contributions to the Plan and the contributions that Overwaitea makes to the Plan on your behalf as your Pension Adjustment (PA). Your PA determines the maximum amount you can contribute to your RRSP in the following year.

Each year, Revenue Canada advises you how much you are permitted to contribute to your RRSP under a specified multi-employer pension plan such as the UFCW Union Pension Plan. For instance, your eligible RRSP room for 1999 is equal to 18% of your income (to a maximum of \$13,500) less your PA amount as calculated above.

Your retirement pension benefit is taxable income. After allowing for any exemptions available to you under the *Income Tax Act*, your retirement pension is subject to income tax.

## *plan registration and administration*

Your pension plan is registered with both the Registered Plans Division of Revenue Canada and the British Columbia Pension Benefits Standards Branch.

The ultimate responsibility for the administration of the Plan lies with the joint Trustees. The Plan is administered in accordance with the terms of the Trust Agreement, the provisions of the Pension Benefits Standards Act (PBSA) and all provincial and federal legislation governing pension plans.

The joint Trustees are required to operate the Plan to provide benefits to the members, so that the Plan contributions will fund the Plan's benefits in accordance with the Trust Agreement, the PBSA and all regulations.

# *glossary of pension terms*

**Actively Employed** A member who is covered by a collective agreement in the industry as defined in the Trust Agreement.

**Actuary** A person who is a Fellow of the Canadian Institute of Actuaries or a firm employing such a person, who is appointed by the Trustees as *actuary* of the Plan.

**Beneficiary** The person or entity you designate to receive your pension payments in the event of your death.

**Commuted Value** The lump sum present value of your accrued pension as determined by an actuary. It is the amount of money required to be set aside to pay for a pension benefit in the future.

**Credited Interest** Equals the annual fund rate of return and is credited at the end of each Plan Year.

**Credited Service** The total years of service used to calculate your pension benefit.

**Current Service** The total years of credited service earned after your group's entry into the Plan.

**Deemed Earnings** The earnings reported on your behalf by Overwaitea while you are in receipt of wage loss benefits which are based on your average earnings for the 13-week period preceding your disability.

**Earnings** Total compensation paid to you by Overwaitea and reported as earnings on your T4 form excluding any taxable benefits.

**Employee Contribution Account** The accumulated balance of a member's employee contributions, including credited interest.

**Group Entry Date** The date on which contributions to the Plan were first made by a participating employer or a Union local on your behalf. If you were a member of the former Retail Meat Industry Pension Plan, your Group Entry Date can be no earlier than January 1, 1963. If you were a member of the former Retail Clerks Industry Pension Plan, your Group Entry Date can be no earlier than January 1, 1970. Any service you had with an employer before your Group Entry Date may be eligible for Past Service, in which case you should contact the Plan Administrator.

**Joint Pensioner** Your spouse at the date of your retirement.

**Life Annuity** A pension you buy from a life insurance company that is guaranteed for your lifetime.

**Locked-In** Your required employee contributions cannot be withdrawn as cash; the contributions must eventually be used, along with the company's contributions, to provide a lifetime pension.

**Normal Retirement Date** The last day of the month in which you turn age 65.

**Past Service** The total years of credited service earned before your group's entry into the Plan.

**Pension Benefits Standards Act (PBSA)** The provincial legislation regulating the terms and the operations of this Plan.

**Plan Year** The calendar year ending on December 31st.

**Spouse** The person at your date of retirement (or at your date of death if you die before retiring) to whom you are legally married and with whom you are living, or the person with whom you have been living in a marriage-like relationship for a period of at least two years.

**Terminated Vested Plan Member** A member who has left employment covered by the Plan and who has not transferred the commuted value of their benefit out of the Plan.

**Totally and Permanently Disabled** Inability to work in any occupation for which you would be reasonably fitted by education, training or experience because of a medically determined impairment that is expected to be of long, continued and indefinite duration.

**Union** Is the UFCW Local 1518 and the UFCW Local 2000.

**Vested** You are entitled to the pension you have earned as calculated by the terms of the Plan.

**Wage loss benefits** Benefits you receive while absent from your employment including weekly indemnity, long term disability, Employment Insurance sickness, parental or maternity, and Workers' Compensation wage loss.

# questions and answers

## I would like to retire. What should I do?

Remember, the earliest age you can retire at is age 50. If you retire at age 50, your pension is subject to a reduction factor. If you choose to retire at age 60 (and have credited hours after age 50), your pension benefit is not reduced. You should phone or visit the Plan Administrator to select a retirement date. Contact the Plan Administrator at least three to four months before you plan to retire to discuss your options and complete the required paperwork.

## Is my pension indexed?

No. In the past, the Trustees have granted benefit increases to retirees on an “ad hoc” basis. While they cannot guarantee that there will be similar increases in the future, it is the Trustees’ intention to grant future benefit increases if the financial conditions of the Plan support it.

## What is the lump sum value of my pension?

Since the lump sum value of any pension is based on current interest rates and assumed retirement age, the lump sum value of a member’s pension is calculated only when you terminate from the Plan.

## What happens if I start my retirement pension and return to work for Overwaitea?

If you return to work in the industry and work less than 40 hours per month, you continue to receive your pension. If you work more than 40 hours per month, the Trustees have the right to suspend your pension and you would earn additional *credited service* and *pension benefits*. Once you stop working again, your retirement benefit would be recalculated based on your additional earnings. Regardless of the number of hours you work, employee contributions to the Plan will be deducted. These contributions with interest will be refunded to you once you stop work.

## What happens if I move to another employer covered by this Plan?

If you move between Divisions of the Plan – for example, from Overwaitea to Safeway – your pension for service **after** the transfer will be calculated according to the provisions of the new Division. Your status under each Division will remain active, and you will be entitled to any benefit increases or improvements which may be granted.

## What if I had service with Woodward’s?

If you have *past service* credited to you under the Plan as a result of your employment with Woodward’s Foods Ltd., you will receive a benefit under the Plan as determined in accordance with the Plan text. The amount of this benefit will be reflected annually on your statement and the Plan Administrator will provide you with additional details if requested.