

## *table of contents*

<i>introduction</i> .....	2
<i>your privacy</i> .....	3
<i>plan background</i> .....	4
<i>plan membership and contributions</i> .....	5
<i>calculating your pension benefit</i> .....	7
<i>retirement benefits</i> .....	8
<i>sample pension calculations</i> .....	14
<i>termination of membership before retirement</i> .....	18
<i>in the event you receive wage loss benefits</i> .....	21
<i>in the event of your death</i> .....	22
<i>in the event of marital break-up</i> .....	24
<i>tax considerations</i> .....	25
<i>plan registration and administration</i> .....	26
<i>glossary of pension terms</i> .....	27
<i>questions and answers</i> .....	30
<i>appendix – pension calculation worksheet</i> .....	31
<i>notes</i> .....	32

## *Board of Trustees*

Mr. Brooke Sundin, *Chair*  
Mr. Art Van Pelt, *Secretary*

Ms. Maxine Faedo  
Mr. Leif Hansen  
Ms. Suzanne Hodge  
Mr. Ian Landles  
Mr. Ivan Limpricht  
Mr. Paul Malo  
Mr. Dave Pearson  
Mr. Frank Pozzobon  
Mr. Lou Regenwetter  
Mr. Don Robertson  
Mr. Glenn Toombs  
Mr. Bryan Wall

*As at July 2008*

## *introduction*

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

BG Benefit Administrators  
501 - 4445 Lougheed Hwy  
Burnaby BC V5C 0E4  
Toll-Free: 1-888-345-8329

[ufcw@bgbenefitsadmin.com](mailto:ufcw@bgbenefitsadmin.com)

## *your privacy*

Your privacy is important to us. We will respect your privacy through the protection of your personal information.

### Your Personal Information

Your personal information is received or collected by the Trustees, by way of data supplied to the Plan Administrator by either your employer or yourself. Personal information is required for the purpose of administering your pension benefits. This information may be shared with the Plan *Actuary*, Plan custodian, and other pension professionals for the purpose of calculating and processing your pension benefits. Personal information will not be collected, used or disclosed for any other purpose than for the administration of the Plan.

### Purpose of Collecting Personal Information

Personal information is used for and limited to administering your pension benefits which may include the following:

- determining eligibility for benefit
- calculation and payment of benefit
- providing information to you (the member)

### Security

We protect your information with the appropriate security safeguards. Your personal information is kept confidential and secure and is not disclosed to anyone other than the parties mentioned above without your consent and authorization unless required or authorized by law. If you have questions concerning the privacy of your personal information, please contact the Plan Administrator at 1-888-345-8329.

### Access

You have the right to access your personal information and to correct any inaccuracies.

## *plan background*

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 247 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 five 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
- Canada Safeway
- Tober Enterprises
- Miscellaneous
- Terminated Employers

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

# *plan membership and contributions*

## Becoming a Member

Your employer makes a contribution for each employee covered by a collective agreement between the company and either UFCW Local 1518 or UFCW Local 247. Your Plan membership begins as soon as your employer makes a contribution to the pension fund on your behalf.

## Contributions

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

## Employer Contributions

Your employer makes monthly contributions to the pension fund on your behalf as follows:

Date	Amount of Employer Contributions
March 30, 2003	8% of your
December 30, 2007	8.75% of your <i>earnings</i>
December 28, 2008	9% of your <i>earnings</i>

## 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 <i>earnings</i>
40 – 49	2% of your <i>earnings</i>
50 and older	4% of your <i>earnings</i>

# calculating your pension benefit

Your pension benefit under the Plan has three parts

- 1 The benefit you earned before January 1, 1999 which is equal to \$46.50 per month x each year of *credited service* up to December 31, 1998.

PLUS

- 2 The benefit you earn after 1998 is a percentage of your *earnings* during each period as follows:

Year	Monthly Pension Formula
January 1, 1999 – December 31, 2000	$1/12 \times 1.0\%$ of <i>earnings</i>
January 1, 2001 – December 31, 2001	$1/12 \times 1.1\%$ of <i>earnings</i>
January 1, 2002 – December 31, 2002	$1/12 \times 1.2\%$ of <i>earnings</i>
January 1, 2003 – December 31, 2003	$1/12 \times 1.3\%$ of <i>earnings</i>
January 1, 2004 and after	$1/12 \times 1.4\%$ of <i>earnings</i>

**Note:** The intention of the Trustees is to ultimately provide Plan members employed by Tober Enterprises with a pension equal to 1.4% of *earnings* for each year after 1998. However, the constraints imposed by the phasing in of the increased employer contribution rates and the funding requirements of the *Pension Benefits Standards Act* mean that, initially, it was only possible to provide Plan members with the 1.4% of *earnings* formula in 2004.

PLUS

- 3 The benefit after 1998 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 as an active member of the Plan on or before December 31, 2008 **and** you were an active member on January 1, 1999, you will receive a pension calculated in accordance with the formula described on page 7, except that Part 2 is equal to the greater of:

1.4% of your total *earnings* from  
January 1, 1999 until you retire ÷ 12  
**OR**  
\$46.50 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 or an RRSP, or purchase a life annuity from a Canadian life 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* as calculated using annuity factors determined by the Plan *Actuary*.

## 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* and age on your retirement date totals 80 or more, you will qualify for a temporary supplemental pension.

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 age 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

#### UNREDUCED EARLY RETIREMENT

If you retire on or after age 60, you may receive an unreduced pension with Trustee consent<sup>1</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 AT AGE 55

You may retire on the last day of any month after you reach age 55. Provided you have *credited service* after age 50, your pension benefit will be reduced, with Trustee consent, by  $\frac{1}{4}\%$  for each month (3% per year) from your retirement date to age 60. The table below 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%

If you do not have *credited service* after age 50, your pension benefit will be reduced by  $\frac{1}{2}\%$  for each month (6% per year) from your retirement date to age 60.

### REDUCED EARLY RETIREMENT AT AGE 50

If you were an active member of the Plan on January 1, 1998 or you have at least 15 years of *credited service*, you may retire on the last day of any month after you reach age 50. Provided you have *credited service* after age 50, your pension benefit will be reduced, with Trustee consent, from your retirement date to age 60 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 below 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%

For example, if you are eligible to retire at age 52 and 4 months, with Trustee consent, your normal retirement pension will be reduced by 31% (i.e.,  $\frac{1}{2}$  of 1% for each month [32 months] from age at retirement to 55 plus another  $\frac{1}{4}$  of 1% for each month [60 months] between age 55 and 60).

If you do not have *credited service* after age 50, your pension benefit will be reduced by  $\frac{1}{2}$ % for each month (6% per year) from your retirement date to age 60.

If Trustee consent to use the factors in the charts on pages 10 and 11 is not granted for any reason, you may still choose to retire early. However, your pension will be calculated using actuarial reduction factors. The *Actuary* will determine the exact amount of the reduction.

<sup>1</sup> Trustee consent is granted on a non-discriminatory basis. It is not the intention of the Trustees to withhold consent while the Plan is operational.

## POSTPONED RETIREMENT

You may receive a pension after your *normal retirement date* without reduction. According to Canada Revenue Agency 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

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 (see description below). 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. You must select a form of pension before your pension starts, and once it does start, you cannot change your mind. 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 Standards 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.

## Your Options

You may select one of the following pension options; remember, each option is based on the normal form of pension described on page 12.

### 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 immediately 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*

## SAMPLE 1

Retirement Date: December 31, 2008  
 Age at Retirement: 60  
 Credited Service until January 1, 1999: 25 years  
 Credited Service from January 1, 1999: 11 years

Year	Earnings	Employee Contributions
1999	\$ 42,016	\$ 1,681
2000	42,436	1,697
2001	42,860	1,714
2002	44,146	1,766
2003	44,587	1,783
2004	45,032	1,801
2005	45,482	1,819
2006	45,936	1,837
2007	46,395	1,856
2008	46,858	1,874
<b>TOTAL</b>	<b>\$ 445,748</b>	<b>\$ 17,828</b>

## Pension Calculation

For service to December 31, 1998 (See page 7)  
 $25 \times \$46.50 =$  \$ 1,162.50

For service after December 31, 1998 (See page 7)

*Greater of*  $1.4\% \times \$ 445,748 \div 12 =$  \$520.04

*OR*  $10 \times \$46.50 =$  \$465.00

\$ 520.04  
\$ 1,682.54

Minimum Benefit from Employee Contributions

(See page 8)  $15\% \times \$17,828 \div 12 =$

\$ 222.85

*[NB - Member could have transferred amount in Employee Contribution Account to an approved locked-in vehicle in lieu of receiving additional monthly pension of \$222.85 from the Plan.]*

**Total Pension at Age 60**

**\$ 1,905.39**

*Additionally, the Member will receive a bridge benefit of \$100 per month until age 65. See page 9 for more details.*

**SAMPLE 2**

Retirement Date:	September 30, 2008
Age at Retirement:	50
Credited Service until January 1, 1999:	20 years
Credited Service from January 1, 1999:	9.75 years

Year	Earnings	Employee Contributions
1999	\$ 42,016	\$ 840
2000	42,436	849
2001	42,860	857
2002	44,146	883
2003	44,587	892
2004	45,032	901
2005	45,482	910
2006	45,936	919
2007	46,395	928
2008	35,143	703
<b>TOTAL</b>	<b>\$ 434,033</b>	<b>\$ 8,682</b>

## Pension Calculation

For service to December 31, 1998 (See page 7)	
$20 \times \$46.50 =$	\$ 930.00
	↓
For service after December 31, 1998 (See page 7)	
<i>Greater of</i> $1.4\% \times \$434,033 \div 12 =$ \$506.37	
<i>OR</i> $9.75 \times \$46.50 =$ \$453.38	
	<u>\$ 506.37</u>
	\$ 1,436.37
	↓
Minimum Benefit from Employee Contributions (See page 8) $15\% \times \$8,682 \div 12 =$	<u>\$ 108.53</u>
	↓
<i>[NB - Member could have transferred amount in Employee Contribution Account to an approved locked-in vehicle in lieu of receiving additional monthly pension of \$108.53 from the Plan.]</i>	
Pension	\$ 1,544.90
Reduced by 45% for Early Retirement	<\$ 695.20>
<b>Total Pension at Age 50</b>	<b>\$ 849.70</b>

*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 9 for more details.*

## *termination of membership before retirement*

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, when you transfer the *commuted value* of your pension out of the Plan.

You will have two or three options (depending 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

\* If you are between age 50 and 55, an active member of the Plan on January 1, 1999 or have 15 years of *credited service* you may elect to retire.

### Immediate Pension

If you are eligible to retire in accordance with the requirements described on pages 9-11, then you can start receiving your pension on the last day of the month following the month in which you terminate. Your pension would be calculated in accordance with the method described on page 7.

## 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 55 and 71. If you meet the requirements set out on page 10 you may commence your pension as early as age 50. Once you elect to commence your pension, it would be calculated in accordance with the method described on page 7.

## Transfer to a Locked-In Arrangement

If you are less than age 55 when you terminate 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.

### How the commuted value is calculated

In simple terms, the *commuted value* is the value today of your pension payable at age 65. For example, if you are age 40 and have earned a monthly pension of \$500, the *commuted value* is the amount of money that you would need to invest today for 25 years (between age 40 and age 65) in order to provide you with a \$500 per month lifetime pension at age 65. The calculation also factors in mortality (i.e., the odds of you living). The *commuted value* is highly sensitive to your age and current interest rates. The older you are, the larger the amount of money you would need to invest, and the higher the level of current interest rates, the lower the amount of money you would need to invest. The interest rates that are used to calculate the *commuted value* are set by the Canadian Institute of Actuaries and are subject to change monthly.

## **Factors to consider in choosing your option at termination**

If you have terminated your participation in the Plan and wish to obtain the highest value possible from the Plan, it is very important to understand that an early retirement pension paid from the Plan has a much greater value than the *commuted value* of your pension payable at age 65. If you are in good health and are not concerned about dying prior to retirement, you may wish to leave your pension in the Plan and retire at age 55. By doing so you do not lose the value of the early retirement factors which the Plan provides – the *commuted value* of your pension at age 55 is much higher than the *commuted value* of your pension at age 65. As mentioned above, the *commuted value* of your pension is calculated assuming you elect to commence your pension at age 65 and therefore does not include any provision for the Plan's early retirement rules.

The Trustees recommend that, before making your choice of whether or not to transfer the *commuted value* of your pension from the Plan, you consider obtaining independent legal and financial advice concerning your rights and the effect of your choice from an advisor familiar with all of your personal circumstances that may affect your decision.

The Plan Administrator will not provide you with an estimate of your *commuted value* until you have actually terminated your employment with Tober Enterprises.

Examples of the *commuted value*, at age 65, of a \$1\* per month pension at different interest rates and ages.

Interest Rate		Age 30	Age 35	Age 40	Age 50	
First 10 yrs	Thereafter					
4.0%	5.0%	29.15	37.20	47.48	77.34	
4.5%	5.5%	23.64	30.90	40.38	68.98	
5.0%	6.0%	19.21	25.71	34.41	61.62	
5.5%	6.5%	15.65	21.44	29.37	55.13	
6.0%	7.0%	12.77	17.91	25.11	49.41	
7.0%	8.0%	8.55	12.56	18.46	39.85	
8.0%	9.0%	5.77	8.87	13.65	32.32	

\* To estimate the *commuted value* of your pension that you could transfer out, multiply your monthly pension amount by the value of \$1 at your age and the applicable interest rates. For example, if you are 40 years old, entitled to a \$500 per month pension and interest rates are 4.5% for the first 10 years and 5.5% thereafter, the estimated *commuted value* of your pension is  $500 \times 40.38 = \$20,190$ .

## *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 Tober Enterprises, you will continue to earn pension credits under the Plan. Tober Enterprises will report your *deemed hours and 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 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 designate *beneficiary* or estate. Death benefits after retirement are determined by the pension option you choose.

### Before Retirement

If you are an active Plan member and die **before retirement**, the Plan provides a benefit to be paid to your *spouse*, *beneficiary* or estate equal to the *commuted value* of the pension earned to date. 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.

### 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 if you were under 55 at your date of death, 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 life 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 the benefit. If you do not have a *spouse* or your *spouse* waives the right to receive a death benefit, the death benefit is paid to your *beneficiary*. If you have no *spouse* and have not designated a *beneficiary*, a pre-retirement death 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 pages 12-13 for descriptions of the different pension options.

## *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 your employer makes to the Plan on your behalf are not a taxable benefit to you. Annually, your employer will report the contributions you make to the Plan as Registered Pension Plan contributions; this will reduce your taxable income. Additionally, your employer will report both your contributions to the Plan and the employer contributions made 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, the Canada Revenue Agency advises you how much you are permitted to contribute in total to your RRSP and to the UFCW Union Pension Plan. For instance, your eligible combined contribution room for 2008 (i.e., your RRSP contributions and your employee contributions to the Plan) is equal to 18% of your earned income in 2007 (to a maximum of \$20,000) less your PA amount.

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 under both the Income Tax Act and the BC *Pension Benefits Standards Act (PBSA)*.

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 *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*

**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. After 1998, your annual credited service is equal to the hours (as defined by the Plan) reported on your behalf divided by 1,400, to a maximum of one.

**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 Tober Enterprises while you are in receipt of wage loss benefits, which are based on your average earnings for the previous 13 week period.

**Earnings** - Total compensation paid to you by Tober Enterprises and reported as earnings on your T4 form excluding any taxable benefits, plus any deemed earnings.

**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 benefit under the Plan cannot be withdrawn in cash; the value must be applied to provide you with 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, if no longer living with you, has not lived separate and apart from you for more than two years; or the person with whom you have been living in a marriage-like relationship for at least two years, including a person of the same gender.

**Terminated Vested Plan Member** - A member who has left employment covered by the Plan and has no hours or earnings reported for a period of 2 consecutive years 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 247.

***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?*

You should phone 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 Tober Enterprises?*

If you return to work in the industry and work less than 480 hours per year, you continue to receive your pension. If you work more than 480 hours per year, 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 the Tober Enterprises to Overwaitea – 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.

## appendix – pension calculation worksheet

Using your most recent annual statement, you may use the following worksheet to estimate the monthly pension payable to you under the Plan at any age over 50 (refer to page 10 to determine if you are eligible to retire between age 50 and 55). This worksheet does not take into account benefits that you may be entitled to such as the bridge benefit and the Plan minimum.

### Pension earned to December 31, 1998

	<u>Credited Service</u>		<u>Pension</u>
Past Service	__ years x \$46.50	=	\$ ____ (A)
Current Service to Dec. 31, 1998	__ years x \$46.50	=	\$ ____ (B)

### Pension earned after January 1, 1999

	<u>Earnings</u>		<u>Pension</u>
Jan. 1, 1999 to Dec. 31, 2000	1.0% x \$ ____ ÷ 12	=	\$ ____ (C)
Jan. 1, 2001 to Dec. 31, 2001	1.1% x \$ ____ ÷ 12	=	\$ ____ (D)
Jan. 1, 2002 to Dec. 31, 2002	1.2% x \$ ____ ÷ 12	=	\$ ____ (E)
Jan. 1, 2003 to Dec. 31, 2003	1.3% x \$ ____ ÷ 12	=	\$ ____ (F)
Jan. 1, 2004 to retirement date	1.4% x \$ ____ ÷ 12	=	\$ ____ (G)
Total monthly pension at age 65 (sum of A to G)			\$ ____ (H)
Early Retirement Reduction (refer to pages 10-11)			____ % (I)

Monthly pension at retirement date (H x [1- I])

\$

On your retirement, the amount in your *Employee Contribution Account* will provide you with an additional benefit. You will be entitled to either transfer the amount of your contributions plus interest out of the Plan or you can receive an additional monthly pension from the Plan.

*notes:*