

FREQUENTLY ASKED QUESTIONS

WHAT IS THE CCWIPP?

Established in 1979, the CCWIPP is one of the largest defined benefit collectively bargained private sector multi-employer pension plans in the country. It is financed through a Trust Fund administered by a joint Board of Trustees comprised of representatives of the United Food and Commercial Workers, Canada (“UFCW”) and of Participating Employers. The Trustees use the professional services of an actuary, administrator, auditor, custodian, investment consultant, legal counsel and a group of investment managers. The Trustees have the right to amend the CCWIPP.

The CCWIPP belongs to you - not the Participating Employers, not the UFCW, but to you. All assets, net of expenses, are used to provide benefits to Members and their Beneficiaries in accordance with the provisions of the CCWIPP.

Contributions to the CCWIPP are set out in Collective Agreements and other agreements. Accrued and future benefits under the CCWIPP may change - up or down - depending on the funding level of the Plan and other legal and regulatory requirements.

HOW DOES MY PENSION ACCRUE?

Up to June 30, 2015, pension accruals were provided under the Legacy Plan based on prior scales of benefits. Your pension was based on the number of hours reported on your behalf by your Participating Employer in a calendar year, which were used to determine the percentage of the year for which you received credit.

On and after July 1, 2015, pension accruals are provided under the Restructured Plan and are based on new scales of benefits and the number of hours reported on your behalf by your Participating Employer. Under the new scales, subject to certain modifications, accrual rates depend on your period of continuous service. The scale that will apply to you depends on whether Member contributions have been negotiated and whether your Participating Employer has agreed to make additional employer contributions.

WHAT IS A COMMUTED VALUE?

A commuted value is the lump sum value of a pension benefit, calculated at the date of termination, retirement, or death, whichever applies, that is estimated to be equal in value to a future series of pension payments, using assumptions adopted by the Trustees based on the Actuary's advice and in accordance with the Canadian Institute of Actuaries Standard of Practice for Determining Pension Commuted Values and applicable legislation.

WHEN CAN I RECEIVE AN UNREDUCED PENSION?

The earliest day you can receive an unreduced pension under the CCWIPP is the first day of the month coinciding with or next following your 65th birthday. This is the Normal Retirement Date under the CCWIPP.

WHAT IS THE EARLIEST DAY I CAN RECEIVE A REDUCED PENSION?

The earliest day you can receive a reduced pension under the CCWIPP is the first day of the month coinciding with or next following your 50th birthday.

WHEN SHOULD I CONTACT AN ADMINISTRATION OFFICE TO APPLY FOR MY PENSION?

You should contact the Administration Office in your region about 6 weeks prior to your intended pension commencement date. The necessary forms will be sent to you for completion. These forms must be returned along with the required proof(s) of age.

CAN I RECEIVE RETROACTIVE PAYMENTS IF I CONTACT AN ADMINISTRATION OFFICE AFTER MY INTENDED PENSION COMMENCEMENT DATE?

No. If you do not contact an Administration Office to apply for your pension until after your intended pension commencement date, you will not receive retroactive pension payments.

WHAT IS THE NORMAL FORM OF PENSION?

The normal form of pension is a lifetime pension with 60 months of payments guaranteed. This means that a monthly pension will be paid to you for your lifetime, but if your death occurs before you have received 60 months of pension payments, your designated Beneficiary will continue to receive the remainder of the payments in the guarantee period.

CAN A SPOUSE WAIVE HIS OR HER RIGHT TO THE JOINT & 60% SURVIVOR PENSION?

Yes. A Spouse may waive his/her right to the joint & 60% survivor pension. The rules for waiving this right vary by province. Please contact the Administration Office in your region for further information.

CAN I CHANGE MY FORM OF PENSION?

No. You will not be able to change your form of pension after you have received your first pension payment.

WHEN CAN I EXPECT MY PENSION PAYMENTS?

Your pension is payable from your pension commencement date, provided you have contacted an Administration Office to apply for your pension prior to such date. However, it normally takes up to 3 months to process your first payment, in which case a retroactive payment will be made. Thereafter, your pension payments are made on the first day of each month.

CAN I RECEIVE MY PENSION AS A LUMP SUM PAYMENT?

If your pension or the commuted value of your pension is below the small pension threshold specified in the legislation of your province of employment, the commuted value of your pension may be paid to you as a lump sum, less withholding taxes, instead of a monthly amount. You will be able to transfer this lump sum to an RRSP, on a tax-sheltered basis, subject to the requirements of the Income Tax Act.

- If the CCWIPP is not fully funded under solvency requirements and your Legacy Plan benefits have not been reduced to the transfer ratio, it is possible that only the funded portion of the commuted value of the small pension you accrued under the Legacy Plan can be paid immediately, and the balance, increased with interest, would be payable within five years. Subject to applicable law, the commuted values of small pensions accrued under the Restructured Plan are currently being paid out in full.
- The transfer ratio refers to the percentage by which a plan is funded on a wind up basis. The transfer ratio is subject to change and is updated annually. There is no intention to wind up the CCWIPP.
- The Income Tax Act limits the amount that may be transferred on a tax-sheltered basis. Any amount of the commuted value of your pension above the maximum transfer value can only be transferred to your RRSP if you have sufficient contribution room. A T4A will be issued in respect of this amount.

WHAT IS A WITHDRAWAL EVENT?

A Withdrawal Event is when a Participating Employer or bargaining unit ceases to participate in the CCWIPP. A Withdrawal Event also occurs if a Participating Employer's contribution rate, as specified in the applicable Collective Agreement, is reduced below the rate in effect as at April 1, 2017.

WHAT HAPPENS IN THE CASE OF A WITHDRAWAL EVENT?

If you are a Member affected by a Withdrawal Event and if permitted by applicable law, the pension you accrued under the Legacy Plan will be reduced to reflect the CCWIPP's transfer ratio indicated in the most recent actuarial valuation report filed with the pension regulator before the Withdrawal Event. If you are a Pensioner who is affected by a Withdrawal Event, the portion of your pension in pay, pertaining to the benefit accrued under the Legacy Plan, will be reduced by 10%. If a portion of your pension under the Legacy Plan has already been reduced, that reduction will be taken into account in determining the reduction applicable to you on a Withdrawal Event. The portion of the pension you earned under certain pension plans transferred to the CCWIPP may not be reduced. It will depend on the terms of the transfer. Subject to applicable law, pensions accrued under the Restructured Plan are currently not reduced as a result of a Withdrawal Event.

ARE WITHDRAWING EMPLOYERS PERMITTED TO PAY AN AMOUNT TO ELIMINATE OR MITIGATE THE ABOVE REDUCTIONS?

Yes. A withdrawing employer will be permitted to pay an amount, as determined by the actuary and approved by the Trustees, to eliminate or mitigate these reductions.

WHAT CHANGES DO I NEED TO COMMUNICATE TO THE ADMINISTRATION OFFICE?

The Administration Office in your region must be informed of any changes in your:

- Name
- Marital status
- Beneficiary designation
- Social insurance number
- Contact information (mailing address, telephone number, email address)

When writing to the Administration Office, please include your:

- Full name printed clearly
- Membership identification number
- Home address and postal code
- Telephone number and email address

It is important that you keep your contact information up to date with the Administration Office so that you receive all your entitlements under the CCWIPP. Any unclaimed benefit will be dealt with in accordance with the legislation of your province.

WILL MY MEMBERSHIP IN THE CCWIPP REDUCE THE AMOUNT I CAN CONTRIBUTE TO AN RRSP?

Yes. If contributions are made to the CCWIPP by you or on your behalf, your Participating Employer is required to report the amount of these contributions on your T4 tax slip. This is known as the Pension Adjustment ("PA"). Your RRSP contribution room will be reduced by the PA.

DO GOVERNMENT PENSIONS AFFECT ANY BENEFIT I MAY BE ENTITLED TO FROM THE CCWIPP?

No. The benefits paid by the CCWIPP are in addition to any benefit that you may be entitled to from the Canada Pension Plan, Quebec Pension Plan or Old Age Security.

DO I HAVE THE RIGHT TO REQUEST INFORMATION ABOUT THE PLAN?

Yes. Copies of documents that the administrator is required to file with the pension regulators are available upon written request. There may be an administrative charge for this service.

COLLECTION OF INFORMATION

For each Member, the CCWIPP's records include personal information such as date of birth, marital status, social insurance number, and the identity and dates of birth of Spouse and/or designated Beneficiaries. This information is collected for the purpose of managing pension entitlements. In some cases, medical records and other employment related details are also required. All personal information that is stored electronically is protected by firewalls, anti-virus programs, and physical intrusion detectors, which are regularly upgraded. Hardcopy files are treated with similar security measures.