



PENSION PLAN

Pension Trust Fund | September 2005

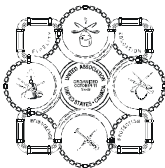


United Association of Journeymen
and Apprentices of the Plumbing
and Pipe Fitting Industry
of the United States and Canada



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Pension Trust Fund | September 2005



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U.A. Local 71 Pension Plan September 2005

BOARD OF TRUSTEES

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Jarislowsky Fraser Limited Investment Counsel
Seamark Asset Management Ltd.
Standard Life Investments Inc.
TD Quantitative Capital

IMPORTANT NOTE

The purpose of this outline is to explain briefly the main features of this pension plan. This outline does not create or confer any contractual or other rights. The trust agreement and plan document of the U.A. Local 71 Pension Trust Fund and Plan and any government regulations govern all rights and obligations of the plan.

REGISTRATION

The plan is registered with the Financial Services Commission of Ontario (FSCO). The Certificate of Registration number 0382481 (formerly C-13501), was issued pursuant to meeting the requirements of the Pension Benefits Act.

The plan is also registered with the Canada Revenue Agency (CRA) registered plans division. The Certificate of Registration, number 0382481, was issued pursuant to meeting the requirements of the Income Tax Act.

TO ALL MEMBERS OF THE U.A. LOCAL 71 PENSION PLAN

The board of trustees is pleased to provide this updated booklet which is designed to provide answers to the most commonly asked questions about the pension plan.

We encourage you to read the booklet carefully to ensure that you understand the benefits you are entitled to receive under the pension plan. This booklet should be stored with your other important documents for future reference.

Any questions regarding the benefits, administration or application for pension benefits should be directed to your plan administrator:



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P.O. Box 3517, Station C
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Fraternally yours,

The board of trustees

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Definitions

ACT

The Pension Benefits Act, RSO, 1990 of Ontario and the regulations thereunder, as amended.

ACTUARIAL EQUIVALENT

A benefit of equal value computed upon an actuarial basis recommended by the actuary and approved by the board of trustees.

ACTUARY

A person who is a Fellow of the Canadian Institute of Actuaries or a firm employing such a person who is appointed actuary for the plan by the trustees.

ADDITIONAL VOLUNTARY CONTRIBUTIONS

A contribution by the member to the pension fund beyond any amount that he/she is required to make. Such a contribution does not require any additional concurrent contributions by an employer.

ADMINISTRATOR

The person or persons that administer the pension plan as appointed by the trustees.

ANNUITY

A contract that provides an income for a specified period of time such as a number of years or for life.

BENEFICIARY

A person, or your estate, entitled under the terms of the plan to receive pre or post-retirement survivor benefits on your death.

Under the Pension Benefits Act of Ontario, a spouse (legal or common-law) is automatically the beneficiary unless the appropriate waiver has been filed with the administrator either prior to your death or the commencement of the pension, as applicable.

BOARD OF TRUSTEES OR TRUSTEES

The operation and administration of the pension plan shall be the responsibility of the board of trustees. The board of trustees shall be comprised of five trustees named by the union, including one independent trustee who is neither a significant shareholder, partner, proprietor nor an employee of a participating employer.

CANADA REVENUE AGENCY (CRA)

The Canada Revenue Agency enforces the provisions of the Income Tax Act.

CESSATION OF MEMBERSHIP OR TERMINATION IN THE PLAN

Cessation of membership or termination in the plan is defined as having ceased employment in the industry for any company under collective agreement with the U.A. Local 71, or for a participating company, for a continuous period of at least two years or more. Nevertheless, a disabled member who qualifies for Workplace Safety and Insurance Board (WSIB) benefits, weekly indemnity, or long-term disability benefits under the U.A. Local 71 Health and Welfare Trust Fund, or who is considered totally and permanently disabled as defined in this booklet, is considered active or employed during that time.

COLLECTIVE AGREEMENT

Collective agreement shall mean any collective agreement between the Ontario Pipe Trades Council of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada and the Mechanical Contractors Association of Ontario representing members of the

U.A. Local 71. It also includes any modification or amendment of the agreement, by the terms of which the employer agrees to make contributions to the plan, which the board of trustees has agreed to accept.

COMMUTED VALUE

The commuted value calculation is used to determine the lump sum value of the deferred pension benefit. It is calculated in accordance with the *Recommendations for the Computation of Transfer Values from Registered Pension Plans* as issued by the Canadian Institute of Actuaries (CIA). Effective February 1, 2005, it will be calculated in accordance with the *Standard of Practice for Determining Pension Commuted Values* adopted by the CIA. The commuted value varies with the age of the member and spouse, the amount of benefit accumulated, and the interest rate in effect at the time the calculation is performed.

COMPANY OR EMPLOYER

Company or employer shall mean any of the participating employers accepted for participation in the pension plan by the board of trustees.

CONSUMER PRICE INDEX (CPI)

The Consumer Price Index for Canada (CANSIM V18702611) as published monthly in the *Bank of Canada Review*.

CONTINUOUS

In relation to employment, membership or service, *continuous* means without regard to periods of temporary suspension of employment, membership or service and without regard to periods of temporary layoff from employment not exceeding two consecutive years in duration. It includes any period to a maximum of one year for which an employee is in receipt of benefits under the Workplace Safety and Insurance Board benefits program.

CORPORATE TRUST AGREEMENT

The agreement or contract entered into between the trustees and the financial institution appointed by the trustees to invest the fund established under this plan.

DEFERRED PENSION BENEFIT

A pension benefit other than an immediate pension benefit.

EMPLOYEE

Employee means a person who is a member, or an employee, of the U.A. Local 71 and is employed on a regular, permanent, salaried or hourly-rated basis; or a person employed by a participating employer.

EMPLOYER

Employer means any employer accepted by the board of trustees as a contributing or participating employer.

ENROLMENT DATE

The date upon which your enrolment in the plan takes effect.

FINANCIAL SERVICES COMMISSION OF ONTARIO (FSCO)

The Financial Services Commission of Ontario is the provincial regulator that enforces the terms of the Pension Benefits Act of Ontario.

FORMER MEMBER

A person who has terminated employment or membership in a pension plan, and:

- (i) is entitled to a deferred pension payable from the pension plan; or
- (ii) is in receipt of a pension payable from the pension plan; or

(iii) is entitled to receive any other payment from the pension plan.

FUND OR TRUST FUND

The fund established for purposes of the plan held in trust by the financial institution with whom the trustees have entered into an agreement for this purpose. The assets of the fund are managed by the board of trustees for the benefit of the beneficiaries of the trust.

HOURLY WORKER

Refers to a member working on an hourly basis under the terms of the collective agreement.

IMMEDIATE PENSION BENEFIT

A pension benefit that is to commence within one year of your entitlement to it.

LOCKED-IN

The legislated conditions which limit the amount of cash refund you can receive from the plan. Locking-in legislation requires that, under certain conditions, your refund must be used only to provide a pension benefit at retirement.

LOCKED-IN RETIREMENT ACCOUNT (LIRA)

A non-commutable registered retirement savings plan as defined in the Income Tax Act.

MEMBER

A person who has satisfied the conditions for membership in the plan and who has neither ceased membership in, nor retired from, the plan.

MULTI-EMPLOYER PENSION PLAN

Means a pension plan established and maintained for employees of two or more employers who contributed, or on whose behalf contributions are made, to a pension fund by reason of agreement, statute or municipal by-law to provide a pension benefit that is determined by service with one or more of the employers. It does not include a pension plan where all the employers are affiliated within the meaning of the Business Corporations Act, 1982.

NORMAL RETIREMENT DATE

Means the first day of the month coinciding with or next following the attainment of age 60.

PARTICIPANT

Any member, former member, or pensioner, as the context requires.

PARTICIPATING EMPLOYER

Means an employer that has been accepted by the board of trustees for participation in the U.A. Local 71 Pension Plan.

PENSION

A monthly pension benefit that is in payment.

PENSION BENEFIT

A periodic amount to which under the terms of the plan, you, your spouse, other beneficiary or estate may become entitled.

PENSION BENEFITS ACT

The Pension Benefits Act of Ontario and its regulations as amended from time to time, including any other applicable acts of a substantially similar nature adopted by any other province or by the government of Canada.

PENSIONER

A person who is receiving a monthly pension from the plan or from an insurance company.

PLAN

The U.A. Local 71 Pension Plan and Trust Fund and any of its amendments or supplements. For the purpose of the Income Tax Act, the pension plan is recognized as a Specified Multi-Employer Pension Plan (SMEPP) of the defined benefit type.

PLAN YEAR OR FISCAL YEAR

The 12-month period commencing January 1st and ending December 31st each year.

PRESCRIBED

Prescribed means pursuant to the requirements for registration.

RETIRE, RETIREMENT AND RETIRING

Means termination of employment with a participating employer or of membership in the U.A. Local 71 on or after the date you are eligible for a pension benefit. It occurs on the date you begin to receive an immediate pension, whether or not your employment or membership in the local has terminated.

SERVICE

Continuous employment with a participating employer or continuous membership in the U.A. Local 71 subsequent to the effective date of the plan.

SPOUSE

Means two people who:

- (i) are married to each other; or

- (ii) are not married to each other and are living together in a conjugal relationship:
 - 1. continuously for a period of not less than three years; or
 - 2. in a relationship of some permanence if they are the natural or adoptive parents of a child, both as defined in the Family Law Act.

SUPERINTENDENT

The Superintendent of Pensions of the Financial Services Commission of Ontario (FSCO).

TOTAL AND PERMANENT DISABILITY

Means an individual, suffering from a physical or mental impairment that prevents an individual from engaging in any employment for which he/she is suited by education, training or experience and that can reasonably be expected to last for the remainder of the individual's lifetime.

TRUST AGREEMENT

Means the agreement that identifies the methods of receipt, investment and disbursement of funds of the plan and trust fund. It contains: provisions for investment powers of trustees; irrevocability and non-diversion of trust assets; payment of legal, trustee and other fees relative to the plan; exculpatory clauses pertaining to the liability of trustees; periodic reports to the employer or union by the trustees; records and accounts to be maintained by the trustees; conditions for removal, resignation or replacement of trustees; benefit payments under the plan; and the rights and duties of the trustees in case of amendment or termination of the plan.

UNION

Local Union 71 of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.

UNION MEMBER

A member in good standing of the U.A. Local 71 and, for contribution purposes, includes Travel Card members.

VESTING OR VESTED

Vesting refers to the degree to which you are entitled to the pension provided by the employer contributions. The qualification for vesting is based on your age and service or years of plan membership. Your pension is fully vested after a continuous period of membership of at least 24 months.

WSIB BENEFITS

Workplace Safety and Insurance Board benefits.

YEAR OF SERVICE

A year of service is defined as the accumulation of 1,000 hours in any given calendar year.

YEAR'S MAXIMUM PENSIONABLE EARNINGS (YMPE)

Year's Maximum Pensionable Earnings (YMPE) shall have the meaning prescribed under the Canada Pension Plan (CPP).

Define the role of:

ACTUARY

A person professionally trained in the technical and mathematical aspects of insurance, pensions and related fields. The actuary estimates how much money must be contributed to a pension fund each year to support the benefits that will become payable in the future.

ADMINISTRATOR

The administrator is the board of trustees of the U.A. Local 71 Pension Plan and Trust Fund. The board of trustees can delegate the day-to-day administration to a third-party administrator responsible for the payment of benefits and the provision of other administrative services such as record keeping, accounting and communicating with plan members. The administration has been delegated to Coughlin & Associates Ltd.

AUDITORS

The firm appointed by the board of trustees to conduct a systematic investigation of procedures or operations to assess conformity with prescribed criteria. The auditors certify the accuracy of the financial statements on an annual basis.

BOARD OF TRUSTEES

The board of trustees makes the significant policy decisions that give the fund its direction. The board of trustees does not “run” the fund in an operational sense. It delegates the day-to-day administration to a professional administrator.

CONSULTANT

The party appointed by the board of trustees responsible for advising on the general management of the fund, ensuring that the plan is in compliance with the government regulations, drafting of

the plan's policies, reviewing and maintaining contracts and providing any other services required by the trustees.

CUSTODIAN

The trust company that holds in custody and safekeeping the securities (i.e. stocks, bonds, certificates, etc.) and other assets of the trust.

INVESTMENT MANAGER

A professional money manager appointed by the board of trustees to make the decisions relative to the asset mix and security selection of the fund's portfolio. All transactions are executed by the custodian.

NOTE: In this plan, words denoting the masculine gender include the feminine gender, and the singular includes the plural, unless the context specifically provides otherwise.

Summary of the provisions of the plan

PURPOSE

Q. What is the purpose of the pension plan?

- A. The purpose of the pension plan is to provide retirement benefits to you on your retirement. As well, the plan provides benefits on the termination of your membership or your death prior to retirement. These are in addition to those benefits provided through the Canada/Quebec Pension Plan and Old Age Security. The plan may also provide benefits to your surviving spouse.

MISSION STATEMENT

Q. What is the plan's mission statement?

- A. The pension plan's mission is to advance the financial benefit security of all plan members and beneficiaries by providing fully funded pension benefits for reasonable and stable contribution rates.

The plan will:

- provide efficient and effective investment management designed to achieve the highest possible return at an acceptable level of risk;
- create and maintain an environment that promotes the interests of plan members and beneficiaries;
- provide high quality, cost effective service to plan members and beneficiaries; and
- provide effective and efficient governance processes.

EFFECTIVE DATE

Q. When did the plan become effective?

- A. The effective date of the plan is November 1, 1971. This booklet includes all revisions to September 1, 2005.

ELIGIBILITY

Q. Who is eligible, AS AT the effective date of the plan?

- A. Persons who were members in good standing of the U.A. Local 71 on November 1, 1971 were eligible to join the plan as of that date.

Q. Who is eligible, AFTER the effective date of the plan?

- A. If you became a member of the U.A. Local 71 after November 1, 1971, you are eligible to join the plan on the first day of the month coincident with or next following the date of your employment.

Employees of the union, owners, contractors and their salaried workers are also eligible to join this plan, subject to approval by the board of trustees, effective on the first day of the month coincident with or next following the date of employment or on November 1, 1971, whichever is later.

ENROLMENT

Q. How do I enrol?

- A. You must complete an enrolment card and submit it to the administrator. Cards are available from the union hall or the administrator's office.

BENEFICIARY DESIGNATION

Q. How do I designate a beneficiary or submit a change of address, marital status or beneficiary?

- A. The enrolment card is also used to notify the administrator of a change of personal information including a change to your address, marital status and/or beneficiary designation. Completing a card every time a change is required and submitting it to the administrator will ensure that your file is handled properly.

PARTICIPATION

Q. Is participation in the plan mandatory?

- A. Yes. As a condition of employment and as specified in the collective agreement, all eligible members must become members of the pension plan.

CONTRIBUTIONS

Q. How is the plan funded?

- A. The plan is funded through employer contributions made at the hourly rate determined in your collective agreement. The contribution rate may change from time to time, as negotiated.

Q. Can I make voluntary contributions?

- A. No. Following the introduction of Bill C-52 of the Income Tax Act on June 27, 1990, the practice of transferring funds from the health and welfare to the pension plan was discontinued. Members who made voluntary contributions prior to January 1, 1991, will have the option of purchasing additional amounts of pension at retirement or receiving a refund of these voluntary contributions with accumulated interest upon withdrawal from the plan, the industry or at death.

Q. How much interest is credited on my additional voluntary contributions?

- A. Interest on additional voluntary contributions shall be calculated and credited at rates determined by the trustees at

the end of each plan year, having regard to the actual net rates earned by the fund on the basis of the audited financial statements.

For the purpose of determining the interim rate of credited interest on additional voluntary contributions for refunds, death benefits and retirement benefits payable during the plan year, the administrator will estimate the interim rate having regard to the actual net rates earned by the fund after allowing for applicable expenses and for all capital appreciation and depreciation, whether realized or unrealized. When information or data is unavailable to determine the present monthly net rate, the administrator will refer to the most recent month(s) of the fiscal period whereby the information is available and project the year-to-date return on a pro-rata basis to the date of settlement.

The rate to be applied on an annual or interim basis shall not be less than the average return on a five-year personal fixed term deposit as published by the Bank of Canada, CANSIM series V122515, formerly B14045, and shall not exceed the plan's net return on investments.

Q. Will pension contributions continue to be made on my behalf while on maternity, parental or compassionate leave?

A. No. Benefits will not accrue while on maternity, parental or compassionate leave.

Q. Will pension contributions continue to be made on my behalf if I collect long-term disability benefits?

A. No. With the exception of the one-year extension while on WSIB, benefits will not accrue during the period of long-term disability.

Q. If I go on WSIB do I continue to accrue pension benefits?

- A. Under Bill 162, if you are absent from work due to an occupational illness or injury, you are entitled to have benefits accrue for a maximum of one year. You must provide copies of the letter of approval from WSIB and copies of the WSIB pay stubs as proof of your eligibility. Your account will be credited with 144 hours for every full month you are in receipt of WSIB benefits to a maximum of 12 months. Partial months will be pro-rated.

Q. If I participate in the plan, how do I know how much I can contribute to my RRSP?

- A. Since 1990, the Canada Revenue Agency (CRA) issues to each taxpayer a special notice indicating his/her RRSP contribution limit for the taxation year using his/her earnings and the pension adjustment for the previous year.

Q. What is the Pension Adjustment (PA)?

- A. The CRA has introduced measures to equalize the amount each individual may contribute to his/her retirement savings in a given year, regardless of the type of plan under which he/she is covered. The PA is the amount by which your RRSP contribution limit is reduced in recognition of the value of benefit accruals under your pension plan. The higher the value placed on your accrued pension benefits each year, the lower your RRSP contribution room, and vice versa. Your PA is reported each year in Box 52 of your T4 statement.

Q. How is my PA calculated?

- A. The PA is calculated in accordance with the terms of the Income Tax Act. Your plan qualifies as a Specified Multi-Employer Plan (SMEP). As such, the value of your PA is simply the contributions made to the plan in a given year.

VESTING

Q. Do employer contributions made on my behalf belong to me?

- A. Employer contributions made on your behalf must be used to provide a monthly pension at retirement. You become eligible for this benefit after you have been a member of the plan for a continuous period of at least 24 months.

LOCKING-IN

Q. When do my pension benefits become “locked-in” under the legislation?

- A. All required contributions that have been made by the employer(s) as well as the accumulated pension credits become locked-in once you have been a member of the plan for two years.

This means that on termination or retirement, you must accept a deferred or immediate annuity that provides a monthly pension for life. Neither the accumulated funds nor the value of your deferred pension can be withdrawn in a lump sum cash settlement unless the amount of pension accrued is less than two per cent of the YMPE as defined yearly by the Canada/Quebec Pension Plans. In 2006, this is an amount of \$70.17 of monthly benefit or less ($\$42,100 \times 2\% / 12$).

UNLOCKING LOCKED-IN FUNDS

Q. Is there any way for me to access the locked-in funds?

- A. You may apply to unlock your pension funds if you suffer from an illness or physical disability that is likely to shorten your life expectancy to less than two years. Application must be made to the plan administrator.

The province of Ontario also allows members who are experiencing financial hardship to apply to the

Superintendent of Financial Services for consent to withdraw money from an Ontario Locked-In Retirement Account (LIRA), Life Income Fund (LIF) or Locked-In Retirement Income Fund (LRIF). It is important to note that this option is not available while your funds are in the U.A. Local 71 Pension Plan. You must first terminate your membership in the plan, transfer your account balance to an Ontario LIRA, LIF or LRIF, and then make application to the Superintendent on the prescribed form (Form 5 or 6). For information regarding withdrawal for reasons of financial hardship, contact the FSCO directly at (416) 250-7250 or, toll-free, (800) 668-0128, extension 7250.

BENEFITS ON TERMINATION

Q. When can I terminate my membership in the plan?

- A. Termination or cessation of membership in the plan is permitted once you have ceased employment for a participating employer and no contributions are due on your behalf for a continuous period of at least two years. You may not terminate your membership while you are deemed totally and permanently disabled as defined in this booklet, or while you are in receipt of Workplace Safety and Insurance Board (WSIB) benefits, weekly indemnity or long-term disability benefits under the U.A. Local 71 Health and Welfare Plan.

Q. What are my options on termination?

- A. If your membership in the plan terminates while you are entitled to a deferred pension benefit, you may transfer the commuted value of the deferred pension benefit either:
- (i) to the pension fund related to another pension plan, if the administrator of the other pension plan agrees to accept the payment; or
 - (ii) to a locked-in retirement account (LIRA); or

- (iii) to a life income fund (LIF) or a locked-in retirement income fund (LRIF); or
- (iv) to purchase a deferred life annuity or immediate life annuity.

Q. If I terminate my membership in the plan, may I leave the pension benefit credit in the plan until retirement?

- A. Yes. You may leave your accrued pension benefit in the plan until you are ready to retire.

Q. How do I apply to transfer funds from the plan?

- A. To apply to transfer funds, contact the plan administrator and complete the necessary form(s). The forms currently in use are:

- (i) *T2151 - Direct Transfer of a Single Amount under Subsection 147(19) or Section 147.3*, supplied by the CRA;
- (ii) *Lock-In Agreement Concerning Transferred Pension Fund Proceeds* making reference to the Pension Benefits Act of Ontario and Section 146 of the Income Tax Act.

Both forms are available from any financial institution offering registered retirement savings plans, or from the plan administrator.

Q. If I remain in the plumbing and pipefitting industry but transfer my union membership to another local or to the Commission de Construction du Québec (CCQ), can I transfer the pension benefit credit to that new local?

- A. Yes. You may apply for a permanent transfer of the actuarial equivalent of your pension benefit to the new home local in accordance with the national reciprocal agreement. All future hours remitted to the U.A. Local 71 while you are working in

its jurisdiction will be reciprocated to your new home local if you proceed with a permanent transfer. You may also apply for a temporary transfer of the hours you work in the Ottawa jurisdiction while your union membership is with another local or the CCQ.

RETIREMENT DATES

Q. What is the normal retirement date?

- A. Normally you will retire on the first day of the month coincident with or following your 60th birthday. You must advise the administrator of your retirement date no later than 30 days prior to your retirement date.

Q. What is the early retirement date?

- A. You may retire on the first day of any month following or coincident with your attainment of age 50. The pension will be reduced by half of one per cent for each month (or six per cent per year) by which your retirement date precedes your attainment of age 60. If you worked a minimum of 500 hours in the three years preceding your early retirement date, the pension will be reduced by three per cent per year of early retirement.

The amount of monthly pension you will receive will be equal to the amount of pension which would otherwise be payable at age 60, reduced by the following percentage:

Age at retirement	Percentage reduction at 6 per cent	Percentage reduction at 3 per cent
60	0 per cent	0 per cent
59	6 per cent	3 per cent
58	12 per cent	6 per cent

57	18 per cent	9 per cent
56	24 per cent	12 per cent
55	30 per cent	15 per cent
54	36 per cent	18 per cent
53	42 per cent	21 per cent
52	48 per cent	24 per cent
51	54 per cent	27 per cent
50	60 per cent	30 per cent

Q. What are my options if I become disabled prior to retirement?

- A. If you are at least 45 years of age, have completed ten years of service in the local including at least one current service pension year of credit, and have suffered from a total and permanent disability for a continuous period of not less than six months you may, subject to the approval of the board of trustees, collect a disability pension. To be considered totally and permanently disabled for the purposes of this plan, you must have medical evidence, certified by a qualified medical practitioner, confirming that a condition of total and permanent disability exists. The evidence must not be more than six months old at the time of your application. In addition, the trustees reserve the right to request proof of your application and qualification for WSIB, long-term disability and CPP/QPP disability benefits.

“Totally and permanently disabled” means suffering from a physical or mental impairment that prevents you from engaging in any employment for which you are suited by your education, training or experience and that can reasonably be expected to last for the remainder of your lifetime.

The amount of your disability pension will be equal to the amount of pension accrued to the date of your disability pension eligibility date, without reduction.

The trustees may require that you submit to a re-examination at any time prior to your normal retirement date in order to determine whether you continue to be disabled. If you are found to be no longer disabled or refuse to submit to such examination, your disability pension shall cease. In such case, you may qualify for early or normal retirement and be subject to the applicable terms.

Q. May I postpone my retirement date beyond age 60?

- A. Yes, you may postpone your retirement date beyond age 60. The CRA requires that all pensions commence payment by the end of the year in which you attain age 69 and that further benefits may not accrue from the same plan while a pension is in payment. Therefore, once you begin receiving your pension and return to work for a participating employer, contributions remitted in accordance with the collective agreement are forfeited unless you elected to have your pension suspended.

In the event that you made application for your pension after your normal retirement date, your pension will not commence retroactively to your normal retirement date but will commence on the first day of the month following the month in which you last worked, or the first of the month in which the retirement application is received by the administrator, which ever is later. Furthermore, payment will be made without any interest adjustment on the deferred payments. If you have ceased employment, there is no advantage to waiting to apply for your pension beyond age 60. You must advise the administrator of your postponed retirement date no later than 30 days prior to that date.

Q. May I return to work once I begin to draw my pension?

- A. Yes, you may return to work for a participating employer following your retirement from the plan. When you first apply for retirement benefits, you will be required to complete and sign a member election form confirming your wish to have your pension benefit suspended in order to accumulate pension credits under the plan for periods of post-retirement employment. If you do not choose to have your payments suspended, any hours and contributions remitted on your behalf during the period of re-employment will be forfeit and will not serve to increase your pension, as per the requirements of the Income Tax Act. If you elect to have your payments suspended, the hours credited to your account will be used to increase the monthly pension payable to you once you return to a retiree status. The suspended payments will not become payable once you cease to work for a participating employer. Your revised pension will begin on the first of the month following the last month for which hours were remitted on your behalf.

APPLYING FOR YOUR PENSION

Q. How do I apply for my pension?

- A. Once you have decided on a retirement date, notify the administrator at least one month in advance. He/she will send you the appropriate forms for completion and, at your request, will provide any and all information you may require concerning your selection of pension options.

Q. Can I make arrangements to discuss my retirement options with the administrator?

- A. Yes, arrangements may be made by contacting the administrator and making an appointment. Spouses are encouraged to attend.

Q. Can I make arrangements to discuss my retirement options and other financial matters with a financial advisor?

- A. Yes, the administrator has an individual financial consultant on staff who is available to assist you. There is no consultation fee. You may contact the administrator to arrange an appointment to discuss your retirement, financial planning, estate planning, investments, life insurance and other financial matters.

In order to allow sufficient time for a proper consultation and thorough planning, it is recommended that you arrange to discuss your pre-retirement planning and investment strategies at least three to five years prior to your anticipated retirement date.

You should also visit your financial advisor six months prior to your effective date of retirement or when your financial, marital or employment situation changes.

Q. Must I submit proof of age or marriage?

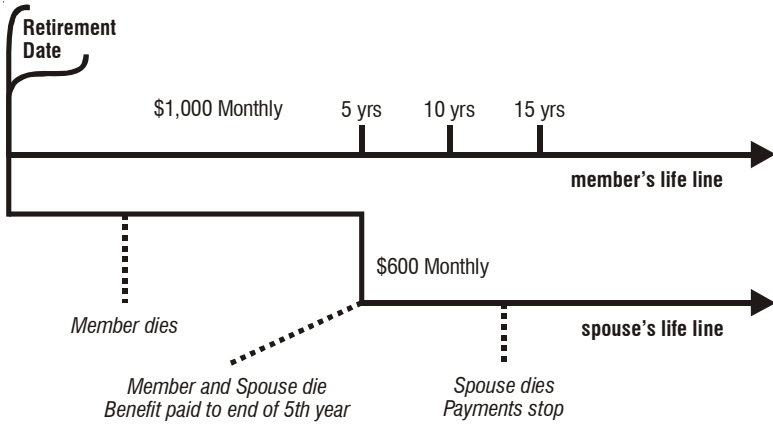
- A. Yes. You are required to furnish proof of your date of birth before any pension payments are made to you. If you elect a type of pension which depends on the survivorship of your spouse, you are required to furnish proof of age of your spouse as well as a copy of the marriage certificate, if applicable, and a declaration of marital status.

FORM OF PENSION

Q. What is the normal form of pension?

- A. The normal form of pension is a joint and last survivor annuity reducing to 60 per cent on the later of your death or the end of the five-year guarantee. This pension is payable for as long as you live. Should you predecease your spouse within the first five years, the payments will continue to your spouse at 100 per cent until the end of the guarantee period, at which

time, they would reduce to 60 per cent and continue for your spouse's lifetime. In the event that you and your spouse die within the guarantee period, the payments would continue to the designated beneficiary or estate until the end of the guarantee period.



Q. What other forms of pension are available?

A. The plan provides other optional forms of pension as follows:

LIFE ANNUITIES

1. Single life annuity with no guaranteed period

Under this form of payment, you will receive a monthly income for as long as you live. The monthly income will cease upon your death, which means no death benefits are payable to a spouse, beneficiary or estate. Since payments stop immediately after you die, this form of annuity may suit you if you are single and have no dependants.



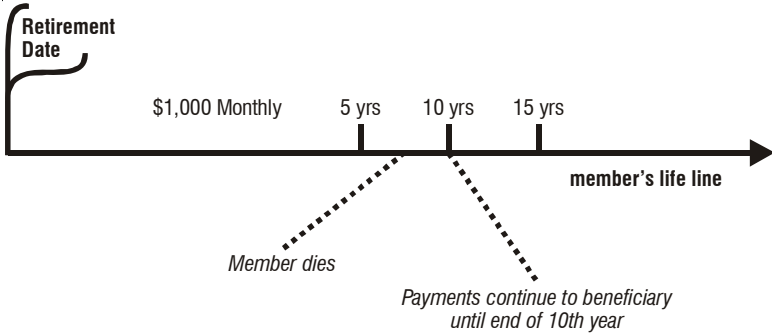
2. Single life annuity with a minimum guaranteed period

Under this form of payment, you will receive a monthly income as long as you live. In addition, should you die before a specified number of payments have been made (usually 60, 120 or 180), the balance of the payments are continued to a named beneficiary or estate.

The amount of pension income you would receive under this option is less than the life annuity only option as there is a guarantee that payments will be made for a specified period.

Example:

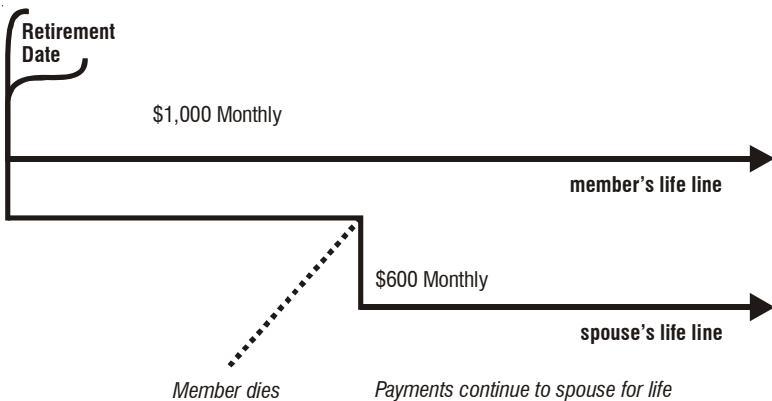
If you choose a life annuity with a ten-year guarantee, you will receive a monthly payment as long as you live, with the provision that if you die before receiving 120 monthly payments, your named beneficiary or estate will continue to receive the balance of your monthly payments until a total of 120 payments have been made. The present value of the remaining payments may be paid in a lump sum as an alternative to the continuation of monthly instalments. Once this provision has been met, no further payment will be made.



3. Joint and last survivor annuity

Under this form of payment, you will receive a monthly income as long as you live. Should you predecease the joint annuitant (your spouse), the payments will continue to your spouse at the chosen percentage for the spouse's lifetime. When both you and your spouse are deceased, payments cease.

Your plan offers survivor benefits of 60 per cent or 100 per cent of the amount payable immediately prior to your death.



In this example, the member receives \$1,000 per month for life. When the member dies, payments reduce to 60 per cent and continue to the surviving spouse for the remainder of the spouse's life. Payments terminate when both the member and joint annuitant are deceased.

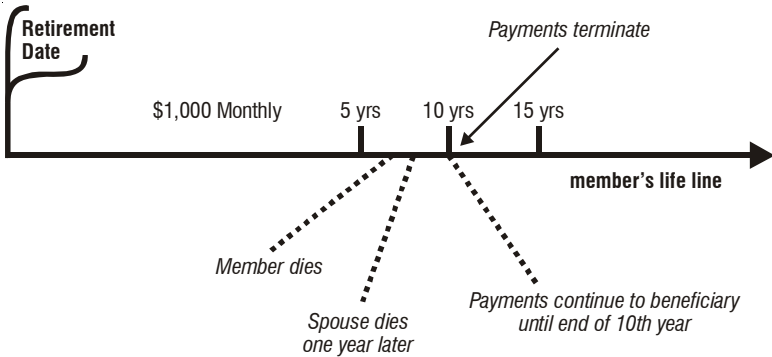
4. **Joint and last survivor annuity with a guaranteed payment period**

Under this form of payment, you will receive a monthly income as long as you live. Should you predecease the joint annuitant (your spouse), the payments will continue to your spouse at the full amount until the end of the chosen guarantee period, at which time, they will reduce according to the level of survivor benefit chosen and continue for your spouse's lifetime. Your plan offers joint annuities with a survivor benefit of 60 per cent or 100 per cent of the amount payable immediately prior to your death.

If both you and your spouse die after the chosen guarantee period, payments cease. In the event that both you and your spouse die within the guarantee period, the payments will continue to your designated beneficiary or estate until the end of the chosen guarantee period.

The amount of pension income you would receive under Option 3 or 4 is less than the single life annuity with or without guarantee periods as there is a provision for payments to continue to a joint survivor for life as well. This type of annuity often assists married couples in their retirement planning.

If you have a spouse at retirement, pension laws require that you take a reduced pension which continues to your spouse or common-law partner at a minimum level of 60 per cent on your death. The only exception is if your spouse agrees to waive his or her rights to a survivor pension. This can only be done by your spouse completing a special spousal waiver form which is available from the plan administrator.



In this example, the member chose a joint and last survivor annuity continuing at 100% with a ten year guarantee. He died six years after retirement and his spouse died a year later.

AMOUNT OF PENSION

Q. How much of a monthly pension will I receive at retirement?

A. The amount of monthly pension you receive at retirement will depend on two factors:

- (i) the number of years you work prior to retirement; and
- (ii) the number of hours credited to your account each year.

It is important to note that you must maintain your membership in the union to participate in the pension plan but the payment of union dues does not guarantee any benefits or serve to fund any of the benefits payable under the U.A. Local 71 Pension Plan.

Because the plan started in November of 1971, credits given for service prior to this date are referred to as *past service credits* and any credits given for service after as *current service credits*.

Historical pension credit table

(Entitlement to benefit improvements is subject to eligibility criteria)

Period	Original Credits	1st	2nd
Monthly credit for minimum of 1,500 hours			
1971/11/01 to 1972/12/31	\$4.0000	\$8.0000	\$10.0000
1973/01/01 to 1973/12/31	\$4.0000	\$8.0000	\$10.0000
1974/01/01 to 1974/12/31	\$4.0000	\$8.0000	\$10.0000
PLUS Monthly credit for minimum of 1,800 hours			
1975/01/01 to 1975/12/31	\$6.0000	\$12.0000	\$15.0000
1976/01/01 to 1976/12/31	\$6.0000	\$12.0000	\$15.0000
1977/01/01 to 1977/12/31	\$6.0000	\$12.0000	\$15.0000
OR Monthly credit per 100 hours if <1,800 hours			
1975/01/01 to 1975/12/31	\$0.3330	\$0.6660	\$0.8333
1976/01/01 to 1976/12/31	\$0.3330	\$0.6660	\$0.8333
1977/01/01 to 1977/12/31	\$0.3330	\$0.6660	\$0.8333
PLUS Rate per 100 hours			
1978/01/01 to 1978/12/31	\$0.5000	\$1.0000	\$1.2500
1979/01/01 to 1979/12/31	\$0.5000	\$1.0000	\$1.2500
1980/01/01 to 1980/12/31	\$1.0000	\$2.0000	\$2.5000
1981/01/01 to 1981/12/31	\$1.0000	\$2.0000	\$2.5000
1982/01/01 to 1982/12/31	\$1.0000	\$2.0000	\$2.5000
1983/01/01 to 1983/12/31	\$1.0000	\$2.0000	\$2.5000
1984/01/01 to 1984/12/31	\$1.0000	\$2.0000	\$2.5000
1985/01/01 to 1985/12/31	\$2.2500		
1986/01/01 to 1986/12/31	\$2.2500		
1987/01/01 to 1987/12/31	\$2.2500		
1988/01/01 to 1988/12/31	\$2.2500		
1989/01/01 to 1989/12/31	\$2.2500		

Pension credit following benefit improvement

3rd	4th	5th	6th	7th	8th
Monthly credit for minimum of 1,500 hours					
\$10.0000	\$10.8000	\$10.8000	\$11.8800	\$13.6600	\$15.0260
\$10.0000	\$10.8000	\$10.8000	\$11.8800	\$13.6600	\$15.0260
\$10.0000	\$10.8000	\$10.8000	\$11.8800	\$13.6600	\$15.0260
Monthly credit for minimum of 1,800 hours					
\$15.0000	\$16.2000	\$16.2000	\$17.8200	\$20.4900	\$22.5390
\$15.0000	\$16.2000	\$16.2000	\$17.8200	\$20.4900	\$22.5390
\$15.0000	\$16.2000	\$16.2000	\$17.8200	\$20.4900	\$22.5390
Monthly credit per 100 hours if <1,800 hours					
\$0.8333	\$0.9000	\$0.9000	\$0.9900	\$1.1385	\$1.2524
\$0.8333	\$0.9000	\$0.9000	\$0.9900	\$1.1385	\$1.2524
\$0.8333	\$0.9000	\$0.9000	\$0.9900	\$1.1385	\$1.2524
Rate per 100 hours					
\$1.2500	\$1.3500	\$1.3500	\$1.4850	\$1.7078	\$1.8786
\$1.2500	\$1.3500	\$1.3500	\$1.4850	\$1.7078	\$1.8786
\$2.5000	\$2.7000	\$2.7000	\$2.9700	\$3.4155	\$3.7571
\$2.5000	\$2.7000	\$2.7000	\$2.9700	\$3.4155	\$3.7571
\$2.5000	\$2.7000	\$2.7000	\$2.9700	\$3.4155	\$3.7571
\$2.5000	\$2.7000	\$2.7000	\$2.9700	\$3.4155	\$3.7571
\$2.5000	\$2.7000	\$2.7000	\$2.9700	\$3.4155	\$3.7571
\$2.5000	\$2.7000	\$2.7000	\$2.9700	\$3.4155	\$3.7571
\$2.6000	\$2.8100	\$2.8100	\$3.0910	\$3.5547	\$3.9102
\$2.7000	\$2.9200	\$2.9200	\$3.2120	\$3.6940	\$4.0634
\$2.8000	\$3.0200	\$3.3200	\$3.6520	\$4.2000	\$4.6200
\$2.9000	\$3.1300	\$3.4400	\$3.7840	\$4.3516	\$4.7868

Historical pension credit table

(Entitlement to benefit improvements is subject to eligibility criteria)

Period	Original Credits	1st	2nd
PLUS	Rate per 100 hours		
1990/01/01 to 1990/12/31	\$2.2500		
1991/01/01 to 1991/12/31	\$3.2500		
1992/01/01 to 1992/12/31	\$3.2500		
1993/01/01 to 1993/12/31	\$3.8350		
1994/01/01 to 1994/12/31	\$4.0630		
1995/01/01 to 1995/12/31	\$5.1100		
1996/01/01 to 1996/12/31	\$5.1100		
1997/01/01 to 1997/12/31	\$5.1100		
1998/01/01 to 1998/12/31	\$5.1100		
1999/01/01 to 1999/12/31	\$5.7500		
2000/01/01 to 2000/12/31	\$5.7500		
2001/01/01 to 2001/12/31	\$5.7500		
2002/01/01 to 2002/12/31	\$5.7500		
2003/01/01 to present	\$6.3250		

Pension credit following benefit improvement

3rd	4th	5th	6th	7th	8th
Rate per 100 hours					
\$3.0000	\$3.2400	\$3.5600	\$3.9160	\$4.5034	\$4.9537
	\$3.6700	\$4.0400	\$4.4440	\$5.1106	\$5.6217
	\$3.8400	\$4.2200	\$4.6420	\$5.3383	\$5.8721
		\$4.2700	\$4.6970	\$5.4015	\$5.9417
		\$4.8800	\$5.3680	\$6.1732	\$6.7905
			\$5.6210	\$6.4642	\$7.1106
				\$5.8765	\$6.4642
				\$5.8765	\$6.4642
				\$5.8765	\$6.4642
					\$6.3250
					\$6.3250
					\$6.3250
					\$6.3250

The amount of these pension credits in dollars of monthly pension is subject to change. Such a change may occur as a result of a new negotiated collective agreement or as a result of the fund's investment earnings. The above table illustrates the results of eight retroactive benefit improvements that allocated any surplus that accumulated in the fund back to its members, active or retired. You must meet the eligibility criteria to qualify for each of the benefit improvements illustrated above.

PAST SERVICE CREDITS

The plan has been designed to provide pension credits to those who were members prior to the effective date of the plan, namely November 1, 1971. A past service pension credit of \$4.00 of monthly pension for each full year of membership prior to November 1, 1971, has been credited to those eligible up to a maximum of ten years or \$40.00 of monthly past service pension. Past service pension credits have since been increased.

The following table illustrates the amounts of past service credits for which you may be eligible:

Initiation date	Pension credits in years	Original pension credits in dollars	Pension credits following latest benefit improvement
Before 1961/11/01	10	\$40.00	\$54.65
1961/11/01 to 1962/10/31	9	\$36.00	\$49.18
1962/11/01 to 1963/10/31	8	\$32.00	\$43.71
1963/11/01 to 1964/10/31	7	\$28.00	\$38.26
1964/11/01 to 1965/10/31	6	\$24.00	\$32.79
1965/11/01 to 1966/10/31	5	\$20.00	\$27.32
1966/11/01 to 1967/10/31	4	16.00	21.86
1967/11/01 to 1968/10/31	3	12.00	16.39
1968/11/01 to 1969/10/31	2	8.00	10.93
1969/11/01 to 1970/10/31	1	4.00	5.47
After 1970/11/01	0	0.00	0.00

To be eligible for the past service credits, a member must have accumulated at least 300 contribution hours in the first year of the plan.

SAMPLE CALCULATION

Member's date of birth	1945/08/05
Member's date of entry	1965/03/01
Normal retirement date	2005/09/01
Spouse's date of birth	1948/06/19

Assume member worked 1,500 hours every year from 1972 to 2004 and worked 1,000 hours in 2005.

Past service credits = \$25.92

Current service credits	Rate per 100 hours	Annual credit \$	Total credits \$
1971/11/01 to 1974/12/31	Flat rate	15.026	60.10
1975/01/01 to 1977/12/31	1.2524	18.79	56.37
1978/01/01 to 1979/12/31	1.8786	28.18	56.36
1980/01/01 to 1985/12/31	3.7571	56.36	338.16
1986/01/01 to 1986/12/31	3.9102	58.65	58.65
1987/01/01 to 1987/12/31	4.0634	60.95	60.95
1988/01/01 to 1988/12/31	4.6200	69.30	69.30
1989/01/01 to 1989/12/31	4.7868	71.80	71.80
1990/01/01 to 1990/12/31	4.9537	74.31	74.31
1991/01/01 to 1991/12/31	5.6217	84.33	84.33
1992/01/01 to 1992/12/31	5.8721	88.08	88.08
1993/01/01 to 1993/12/31	5.9417	89.13	89.13
1994/01/01 to 1994/12/31	6.7905	101.86	101.86
1995/01/01 to 1995/12/31	7.1106	106.66	106.66
1996/01/01 to 1998/12/31	6.4642	96.96	290.88
1999/01/01 to 2004/12/31	6.3250	94.88	569.28
2005/01/01 to 2005/08/31	6.3250	94.88	63.25

Current service credits = \$2,239.47

Total monthly pension = \$2,265.39

Based on joint and last survivor annuity, reducing to 60 per cent, with five-year guarantee.

Early retirement on September 1, 2005

Pensionable service as illustrated above

Reduction: 3% per year

Your age	Reduced monthly pension
59	$\$2,265.39 \times 97\% = \$2,197.43$
58	$\$2,265.39 \times 94\% = \$2,129.47$
57	$\$2,265.39 \times 91\% = \$2,061.50$
56	$\$2,265.39 \times 88\% = \$1,993.54$
55	$\$2,265.39 \times 85\% = \$1,925.58$

Please note: If you retire early, the early retirement penalty will apply as long as the pension is payable. The unreduced amount will not be reinstated upon attaining age 60 or 65.

The following table illustrates the normal and optional forms of pension available to you and your spouse, if applicable, based on a retirement age of 60, a monthly pension of \$2,265.39, and certain actuarial assumptions:

SAMPLE CALCULATION

Form of pension	Monthly pension \$	Spouse's monthly pension \$
Life gtd. 5 years	2,570.73	0.00
Life gtd. 10 years	2,502.49	0.00
Life gtd. 15 years	2,400.85	0.00
Joint and 60 per cent survivor	2,272.81	1,363.69
Joint and 60 per cent survivor gtd. 5 years	2,265.39	1,359.23
Joint and 60 per cent survivor gtd. 10 years	2,242.78	1,345.67
Joint and 60 per cent survivor gtd. 15 years	2,205.55	1,323.33
Joint and 100 per cent survivor	2,099.14	2,099.14
Joint and 100 per cent survivor gtd. 5 years	2,099.17	2,099.17
Joint and 100 per cent survivor gtd. 10 years	2,097.65	2,097.65
Joint and 100 per cent survivor gtd. 15 years	2,092.09	2,092.09

The above amounts are for illustration purposes only based on factors applicable at the time of calculation. The amounts are also subject to annual partial indexation adjustments. The spouse's pension is only payable on your death.

Q. Are my pension benefits indexed?

- A. Pension benefits, both current and past, accrued prior to January 1, 1989, for all active, disabled or retired members who were in good standing with the union as at January 1, 1989, as well as any pension benefits earned on or after January 1, 1989, will be partially indexed.

Members who were not in good standing with the union as at January 1, 1989, are entitled to partial indexation for pension benefits earned on or after January 1, 1989.

Pension benefits that are transferred into the plan from another local in accordance with a reciprocal agreement will not be partially indexed unless the member's pension in the other plan would have been partially indexed or unless the actuarial assumptions applicable to partially indexed pensions were used to convert the amount at the time of transfer.

Q. When will my pension be adjusted for increases in the cost of living?

- A. Pension eligible for partial indexing shall be adjusted commencing on the first of January following the later of the date the pension commences or the date you attain age 60, and subsequently on January 1st of each year thereafter as long as the pension is payable.

Q. What is the rate of indexation?

- A. Pension benefits that are eligible for partial indexation are adjusted according to the following established formula: 75 per cent of the increase in the Consumer Price Index (CPI) less one per cent.

There is a minimum adjustment of zero per cent and a maximum of four per cent. Any cumulative excess is carried forward to succeeding years. Any benefits subject to partial indexation for the first time are adjusted on a pro-rata basis.

- Q. If I apply for a disability pension and receive monthly payments prior to my attaining the age of 60, will my pension benefit be partially indexed?**
- A. Yes. If your disability pension is approved, your pension benefits will be partially indexed immediately regardless of your age.

- Q. Does this pension affect my entitlement to CPP or OAS benefits?**
- A. No. The pension you earn with the U.A. Local 71 Pension Plan is payable in addition to the Canada or Quebec Pension Plans (CPP/QPP) and Old Age Security (OAS).

GOVERNMENT PROGRAMS

As of January 2005, the maximum benefits available at age 65 are:

- (i) Canada Pension Plan (\$828.75/month); or
- (ii) Quebec Pension Plan (\$828.75/month); and
- (iii) Old Age Security (OAS) (\$471.76/month).

You may receive the CPP as early as age 60, but your CPP benefit amount will be reduced by six per cent per year for each year that you retire earlier than age 65.

DEATH BENEFITS

- Q. If I die before retirement and BEFORE 24 months of membership, what happens to the pension credits that I have accumulated?**
- A. If you die before completing 24 months of continuous membership in the plan, your benefits are not vested. Therefore, there is no benefit payable to your survivors or estate.

Q. What happens to the pension credits that I have accumulated if I die before retirement and AFTER 24 months of membership?

- A. When your plan has been vested and you die before the commencement of your pension, and have a surviving spouse at the time, your spouse is entitled:
- (i) to receive a lump sum payment equal to the commuted value of the deferred pension; or
 - (ii) to purchase an immediate or deferred pension the commuted value of which is at least equal to the commuted value of the deferred pension. The benefit must begin no later than one year following your death and the end of the calendar year in which your surviving spouse attains 69 years of age; or
 - (iii) to purchase a Life Income Fund (LIF) or Locked-In Retirement Income Fund (LRIF) that meets the requirements for a registered retirement income fund under the Income Tax Act; or
 - (iv) to transfer the commuted value to the pension fund related to another pension plan if the administrator of the other pension plan agrees to accept the payment; or
 - (v) to transfer the commuted value to a registered retirement savings plan arrangement as prescribed under the Act.

These provisions do not apply if you and your spouse are living separate and apart at the date of your death, or if your spouse signed a waiver of pre-retirement death benefit prior to your demise.

Where no surviving spouse exists, or where you and your spouse are living separate and apart, your designated beneficiary or estate will receive the commuted value in a lump sum cash settlement.

Q. How long does my spouse have to decide on his/her options after my death?

- A. The law requires a surviving spouse to notify the administrator and make a decision on the necessary forms within 90 days from the date of death. Otherwise, he/she will be deemed to have elected to receive an immediate pension.

Q. If I am married, can I designate a beneficiary other than my spouse?

- A. Yes, you may designate a beneficiary other than your spouse. However, to do so, your spouse must complete a spousal waiver where the spouse gives up all rights to a benefit on your death. These forms are available at the administrator's office and must be filed with the administrator prior to the death of the member. You will be required to have the waiver notarized at your expense or witnessed by a pension administrator. Your spouse will also be required to provide photo identification.

Q. What happens to my pension if I die after retirement?

- A. If you die after you begin receiving a monthly pension, the amount of any further benefit will be determined by the form of pension you chose at retirement.

Q. Is the death benefit taxable?

- A. Yes, the death benefit is taxable. If your surviving spouse wishes to defer the taxation, he/she may transfer the commuted value to a registered retirement savings plan.

CREDIT SPLITTING ON DIVORCE, ANNULMENT OR SEPARATION

Q. Is my spouse entitled to any portion of my pension on marriage breakdown?

- A. Yes, under the Ontario provincial property law, your spouse is entitled to a maximum of 50 per cent of the commuted value

of the pension credits that you accumulated during your relationship. The plan will allow for your spouse's share to be transferred out of the plan once you terminate your membership in the plan or retire. The pension credits may be assigned to your spouse as of the effective date of a court order or written agreement between you and your spouse. In any case, the pension credits assigned to your spouse continue to be subject to the lock-in provisions and payment of benefits to your spouse will not be permitted until the earlier of the date your pension benefits commence or the date of your normal retirement.

SPOUSAL WAIVERS

Pension legislation protects the rights of your spouse. It is important for you to realize that your spouse or common-law partner is entitled to different types of pension benefits at different times during your membership in the plan. For example, although your spouse may agree to waive his/her entitlement to a pre-retirement death benefit, this does not affect his/her entitlement to pension benefits on marriage breakdown, or on your death after retirement.

There are basically three triggering events:

- (i) legal separation or divorce;
- (ii) retirement; and
- (iii) death.

Three distinct waivers are required. On legal separation or divorce, your former spouse is entitled to a maximum of 50 per cent of the assets accumulated during the relationship. On retirement, you must select a form of pension which will provide a survivor pension of at least 60 per cent of the amount payable prior to your death. On death prior to retirement, your surviving spouse is entitled to 100 per cent of the assets in your account, less any assets which were previously assigned to a former spouse or common-law partner.

All waivers must be notarized at your expense or witnessed by a pension administrator. Photo identification for your spouse will also be required.

Please contact the plan administrator for assistance with any of these issues.

ASSIGNMENT

- Q. Can I use my pension benefits as collateral to borrow money? Can my pension benefits be seized on bankruptcy?**
- A. No. The law prohibits the assignment of any pension benefits except in the case of marriage breakdown. This provision is for your protection and is intended to ensure that you will receive a pension when you retire.

INVESTMENTS

- Q. Where are the funds being invested?**
- A. As of January 2005, the assets of the fund are managed by six investment management firms. Each manager has its own mandate as follows:

Investment manager	Mandate	Per cent of assets
Burgundy Asset Management Ltd.	Pooled special equity	31.3 per cent
Canso Investment Counsel Ltd.	Pooled high yield bond fund	5.0 per cent
Jarislowky Fraser Limited Investment Counsel	Pooled funds	24.4 per cent
Seamark Asset Management Ltd.	Pooled funds	24.4 per cent
Standard Life Investments Inc.	Pooled mortgage fund	5.0 per cent
TD Quantitative Capital	Pooled indexed bond fund	5.2 per cent
Valleyview LP	Private placement	2.4 per cent
Cash and other	Miscellaneous	2.3 per cent

The asset mix, performance objectives, and manager mandates are outlined in a Statement of Investment Policies and Procedures (SIP&P) and reviewed regularly.

RIGHTS TO INFORMATION

Q. How will I know how much pension I have accumulated?

A. Each year, the administrator will forward to your home address a pension statement outlining the amount of pension, the retirement dates, the name of your beneficiary, etc. It is important that the information on this statement be accurate. If this is not the case, the administrator should be notified immediately.

Q. Once an amendment to the plan has been made, will I be notified?

A. Yes, once a plan amendment has been registered with the FSCO, the administrator has 60 days to notify in writing all members affected by the amendment.

Q. When a new member enrolls in the plan, what information is provided?

A. Each member is entitled to receive a booklet outlining the general provisions of the plan. He/she is also entitled to inspect the registered documents with the FSCO on written request.

Q. What other sources of information am I entitled to receive?

A. On termination, retirement or death, you or your surviving spouse shall receive a written statement of your entitlements and options.

Once a year, you are also entitled to inspect or copy all documents that support or relate to the plan and its operation. You must file a written request with the administrator to review or obtain a copy of the documents. The administrator is entitled to charge a reasonable amount for any copies that are

provided. The documents that you may review or copy include but are not limited to:

- (i) pension plan documents and all amendments;
- (ii) previous versions of plan documents and amendments;
- (iii) documents that set out the plan sponsor's responsibilities to the pension plan;
- (iv) documents appointing a plan or fund administrator;
- (v) copies of all documents required to be filed with the FSCO (i.e. annual information returns, audited financial statements, trust agreement and amendments);
- (vi) copy of statement of investment policies and procedures; and/or
- (vii) copies of all correspondence between the administrator and the FSCO staff, except for correspondence respecting individual plan members.

Q. Who should be contacted for more information?

- A. The administrator, Coughlin & Associates Ltd., should be contacted for information regarding the plan.

ADMINISTRATION

Q. Who administers the plan?

- A. The board of trustees of the U.A. Local 71 Pension Plan is responsible for its administration. The daily administration is handled by Coughlin & Associates Ltd., a third-party administrator.

Q. Can the plan be changed or discontinued?

- A. The board of trustees can change the plan provided:
- (i) the change does not contravene any provisions of the applicable collective agreements and trust agreement;
 - (ii) the change does not allow the use of any part of the pension fund other than for the exclusive use of persons who may be entitled to benefits under the pension plan; and
 - (iii) the change must be approved by all federal and provincial departments concerned.

If in any year the contributions to the plan are insufficient to meet the cost of the plan under the minimum solvency provisions stipulated in the Ontario Pension Benefits Act, the provisions of the plan will have to be amended.

Any change or modification in the plan shall not adversely affect the benefits, which have accrued to the members of the plan prior to the date of the amendment. On the termination of the whole of the pension plan, all assets of the plan that are to be used to provide pension benefits or other benefits continue to be subject to the Act.

During the continuation of the pension plan, any surplus that is generated by employer required contributions, actuarial gain or experience gain as may be determined from time to time by the actuarial valuation, shall not revert to the benefit of the employer(s) but shall be used solely for the benefit of the plan members, retirees and beneficiaries.

Q. How is plan solvency monitored?

- A. The solvency of your plan is carefully regulated by the FSCO. An actuarial valuation must be filed with the regulator every three years. To be prudent, conservative assumptions are used. This valuation verifies that assets are sufficient to meet the plan

obligations and the funding is adequate to provide the benefits promised.

Q. Can benefit improvements be made as a result of these valuations?

- A. This depends upon the outcome of the valuation and how the FSCO judges the adequacy of assets and funding levels to meet promised benefit amounts (i.e. the degree the solvency ratio is greater than one). Even when the contribution rate has been increased, benefit improvements can only be made if the plan is deemed to be in a financial position to do so. At certain points, actual plan results may differ negatively from the assumptions used by the actuary and funds may need to be used to offset such shortfalls.

Q. Can the pension benefit be reduced?

- A. Yes, under specific conditions, it is possible for your pension benefit to be reduced. The benefit is provided under a multi-employer pension plan. In addition, it is a defined benefit and the obligations of the employers to contribute to the pension fund are limited to a fixed amount set out in your collective agreement. There is no recourse funding on the participating employers if a funding deficiency is created. Consequently, the plan is not protected under the Ontario Pension Benefits Guarantee Fund (PBGF) against funding shortfalls. Only single employer plans, where the company is responsible for correcting a funding deficiency, are protected under the PBGF.

If there are insufficient funds in the pension plan to pay all the pension benefits on the wind-up of the plan, in whole or in part, the pension benefits shall be reduced in a manner prescribed by the Pension Benefits Act of Ontario. Also, if the latest actuarial valuation determines that the solvency liabilities of the plan exceed the assets of the plan and the result is a transfer ratio of less than one, the plan would not be permitted to transfer 100 per cent of the commuted value of your

pension, or pay out 100 per cent of your monthly pension benefit until the solvency deficiency was corrected. All solvency deficiencies must be corrected within a five-year period. Once the deficiency is corrected, the shortfalls are subsequently paid.

The board of trustees in adhering to good governance practices is taking all the necessary measures to protect your interest in the pension plan and ensure that the plan remains solvent in all economic environments.

IMPORTANT NOTE

This document contains important information concerning your pension plan and, therefore, should be kept in a safe place. This booklet supersedes and replaces all previously communicated material.

The purpose of this outline is to explain briefly the main features of the plan.

This outline does not create or confer any contractual or other rights. All rights and obligations with respect to the plan are governed by the trust agreement and plan document of the U.A. Local 71 Pension Plan and any government regulations.

REGISTRATION NUMBERS

Financial Services Commission of Ontario and Canada Revenue Agency registration number 0382481.

CHANGE OF ADDRESS

This booklet has been sent to every member for whom a current address is available. It is important to inform the plan administrator and the U.A. Local 71 of any address changes.

PROTECTING YOUR PERSONAL INFORMATION

The administrator of your pension plan is Coughlin & Associates Ltd. At Coughlin, we recognize and respect every individual's right to privacy. When personal information is provided to us, we establish a confidential file that is kept in the office of Coughlin, or the offices of an organization authorized by Coughlin. We use the information to administer the pension plan. We limit access to information in your file to Coughlin staff or persons authorized by Coughlin who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law.

For more information regarding the protection of your personal information, please refer to the administrator's website at www.coughlin.ca.