

**BRICKLAYERS & ALLIED
CRAFTWORKERS PENSION FUND OF
ALBERTA AND SASKATCHEWAN**



ANNUAL REPORT TO MEMBERS

For the Year Ended
December 31, 2019

To All Covered Employees and Contributing Employers:

We are pleased to present this Report that describes the activities and progress of the Pension Fund for the year ended December 31, 2019.

As of the calendar and Plan year-end, there were 732 active Participants. With the addition of 28 new Pensioners during the year, there were a total of 543 Pensioners and 93 Beneficiaries receiving monthly pension payments. There were also 1,039 inactive Participants with vested rights to receive either a deferred or immediate pension benefit.

We are proud of the fact that over the last ten years the Fund has provided over \$44 million in benefits to Bricklayers and Craftworkers and their dependents.

For the 2019 calendar year, the Fund earned a 13.25% rate of return. The total assets of the Fund as of December 31, 2019 amounted to \$154,864,168 on a Market Value basis. These assets have been reserved for benefits already earned by the Participants and Former Participants. This reserve, together with future income, is required to provide life-long benefit payments to present and future Pensioners and Beneficiaries.

The report shows that on a going concern basis (i.e., assuming the Plan will continue to operate and exist indefinitely), the Fund's projected contributions are sufficient to meet the long-term projected cost of benefits. On a solvency basis, (i.e., assuming the Plan is terminated on December 31, 2019), the Plan is 93% funded as compared to 89% a year ago.

An audit has been performed on the records of the Fund and the Financial Statements are available for examination at the Fund Office.

A summary of the Pension Plan provisions is contained in this Report for your convenience. We would like to thank you for your interest and support and we hope you share our satisfaction with the progress of the Pension Fund to date.

If you have any questions relating to your pension benefits or other Pension Fund matters, a member of the Fund Office staff will be pleased to assist you. Please contact Funds Administrative Service Inc., 10154 – 108 Street NW, Edmonton, Alberta T5J 1L3. Toll free line 1-800-770-2998.

Sincerely,

Board of Trustees

STATEMENT OF CHANGES IN NET ASSETS

Additions	
Contributions	\$3,666,900
Net investment income	6,761,644
Current period change in market value of investment	11,523,541
Total Additions	\$21,952,085
Deductions	
Pension benefits	\$5,997,549
Fund expenses	284,710
Total Deductions	\$6,282,259
Net Addition	\$15,669,826
Net Assets Available For Plan Benefits at January 1, 2019	<u>\$139,194,342</u>
Net Assets Available For Plan Benefits at December 31, 2019	<u>\$154,864,168</u>

**STATEMENT OF NET ASSETS
AVAILABLE FOR PLAN BENEFITS**

as at December 31, 2019

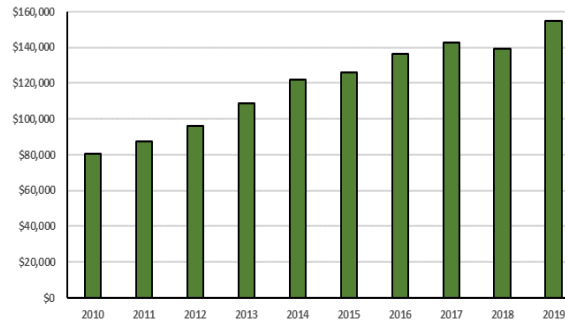
Assets	
Cash in Bank	\$1,233,154
Contributions Receivable	207,187
Other Receivables	16,437
Investments, Market Value	149,262,324
Accrued Income	4,349,731
Prepaid Expenses	<u>9,929</u>
	<u>\$155,078,762</u>
Liabilities	
Accounts Payable	\$214,594
Net Assets Available For Plan Benefits at December 31, 2019	<u>\$154,864,168</u>

***Note**

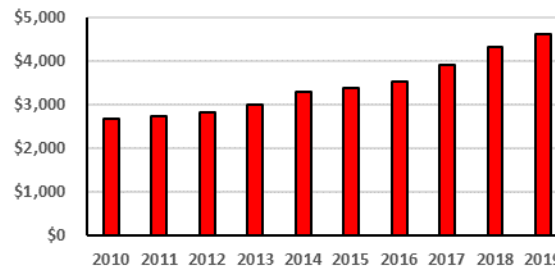
The Statement of Changes in Net Assets and the Statement of Net Assets Available for Plan Benefits shown above and on page 1 are condensed versions of the Fund's audited Financial Statements prepared by Mowbrey Gil LLP. The complete Financial Statements, including the Auditor's Report, are available for examination at the Fund Office during business hours.

The following charts show the Growth of the Fund and the Monthly Benefit Payments made over the last 10 years.

GROWTH OF FUND (in \$000's)



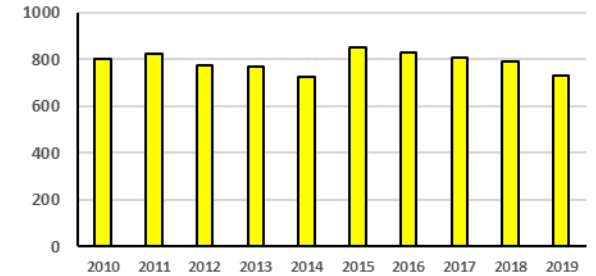
**TOTAL MONTHLY PENSION PAYMENTS
(in 000's)***



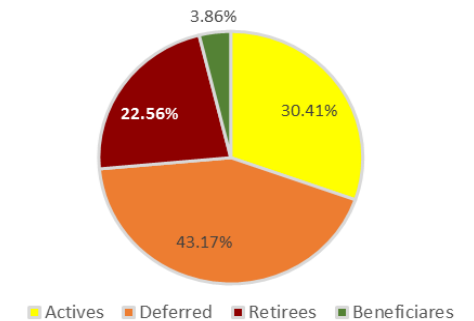
* Excludes termination benefits and commuted value transfers

ACTIVE PARTICIPANTS OVER A 10-YEAR PERIOD

The following chart shows the active Participant trend of the last 10 years (as reflected in the actuarial valuation reports).



**PARTICIPANT POPULATION ON
DECEMBER 31, 2019**



SUMMARY OF PLAN TERMS

The purpose of the Plan is to provide the Participants with retirement income. The Plan provides monthly payments for life to Participants who retire under the Normal, Early and Disability provisions. Surviving Spouses may also be entitled to receive monthly lifetime payments from the Plan. Termination of participation and pre-retirement death benefits may also be paid, subject to certain Plan requirements.

Effective January 1, 2012, the Plan's benefit formula was changed in respect of future accruals, whereby the amount of benefit credited in respect of any particular hours of Covered Employment is directly tied to the contribution rate remitted for such work. For hours of Covered Employment prior to January 1, 2012, the benefits credited remain tied to the member's Earned Contribution Rate at retirement.

Commencing in 2016, the benefit accruals during the first three years of participation after an Employee joins the Plan are limited to 50% of the full accruals.

Participation: Prior to September 1, 2015, participation began on the date a Contributing Employer made the first contribution to the Fund on behalf of an Employee. Currently, participation begins after 300 or more hours are reported on behalf of an Employee in each of two consecutive calendar years.

Past Service Credit: A **Past Service Credit** only applies for years and complete months of union membership prior to April 1, 1977, to a maximum of 15 years. You must have worked 1,200 hours in Covered Employment in the 21-month period after April 1, 1977 in order to receive the Past Service.

Future Service Credit: You will receive one year of credit for each 1,200 hours of work in Covered Employment starting with the date your Employer began to make contributions to the Pension Fund on your behalf. You will receive 1/10th of a year of credit for each 120 hours of work in Covered Employment.

Pension Credit: The total of your years of **Past Service** and **Future Service Credits**. This total determines your eligibility to receive benefits from the Plan, such as disability benefits.

Benefit Credit: Hours used to calculate your monthly pension. These hours are equal to 120 hours for each 1/10th year of **Future Service Credit** up to December 31, 1995, and all hours from January 1, 1996 for which contributions are received by the Fund on your behalf..

Vesting Service: You will receive one year of **Vesting Service** for each Calendar Year in which you work at least 350 hours in Covered Employment.

Vesting Date: This date determines whether you will be entitled to receive any benefits from the Plan. In other words, this is the date the pension you have earned will belong to you. Once you have earned the entitlement to a monthly pension, you cannot lose this entitlement, even if you stop working for a Contributing Employer. Your **Vesting Date** will be the earliest of the following:

- (a) Provided you have at least one year of **Future Service Credit**, the date your age plus your years of **Pension Credit** equal at least 45, or
- (b) The date you have accumulated two years of **Vesting Service**, or
- (c) Commencing on or after September 1, 2015, the date you join the Plan, or

- (d) The date you reach Normal Retirement Age provided you have met the **Participation** requirements.

Pension Benefits for Covered Employment Prior to January 1, 2012: Your pension is calculated based on an Earned Contribution Rate that relates to the contribution rate paid by your Employer for your hours worked. This contribution rate determines the amount of monthly pension for your **Past Service Credit** and the amount of monthly pension for each 1,200 hours of **Benefit Credit**.

Pension Benefits for Covered Employment after January 1, 2012: Your pension is calculated based on the actual contribution rate paid by your Employer for your hours worked. This contribution rate determines the amount of monthly pension for each 1,200 hours of **Benefit Credit** at that contribution rate.

If you were a Participant before July 1, 1982, you also will receive a monthly pension that can be provided by your accumulated employee contributions, with interest, if any.

Examples of the contribution rate and the corresponding monthly pension amounts follow.

For Past Service Credits

Your monthly Normal Pension arising from Past Service Credits is calculated by multiplying your total hours of Past Service Credit by \$0.00975. Note that in the unusual situation where your Earned Contribution Rate is less than \$0.30, a lower benefit rate applies.

For Future Service Credits

Your monthly Normal Pension arising from Future Service Credits is calculated by multiplying your applicable Benefit Unit (from the table below based on your Earned Contribution Rate) with your total hours of Benefit Credit.

Earned or Actual Contribution Rate	Benefit Unit*	Earned or Actual Contribution Rate	Benefit Unit*
\$0.25	\$0.00854	\$3.00	\$0.05267
0.50	0.01375	3.25	0.05488
0.75	0.01813	3.50	0.05704
1.00	0.02250	3.75	0.05783
1.25	0.02688	4.00	0.05858
1.50	0.03125	4.25	0.05933
1.75	0.03563	4.50	0.06013
2.00	0.04000	4.75	0.06088
2.25	0.04350	5.00	0.06163
2.50	0.04700	5.25	0.06242
2.75	0.04983	5.50	0.06317

Note: This is not a complete contribution rate table

* Commencing in 2016, you earn 50% of the rates above during your first three years of participation and the full rate after your third year of participation.

SUMMARY OF PLAN BENEFITS

For “Active” Participants

In order to receive any benefits from the Plan you must meet the **Vesting Date** requirements. The details outlined below apply to Participants who are considered “active” under the terms of the Plan.

The following is a brief description of the types of benefit paid by the Plan as well as the requirements that must be met in order for a Participant to receive the benefit. ***This description is not intended to be a complete statement of all of the Plan provisions.***

Normal Retirement Requirements:

- Age 65 and cease work in Covered Employment

Amount of Monthly Pension:

- 100% of your earned pension.

Early Retirement Requirements:

- Age 55

Amount of Monthly Pension:

- Earned monthly pension will be reduced by .3333% for each complete month (4% per year) if your age at retirement is less than age 65.

Disability Retirement Requirement:

- Must be less than age 65. You must have at least 10 years of Pension Credit (with a minimum of one year of Future Service Credit)

Definition of Disability:

- Must be certified Totally and Permanently Disabled by a licensed medical doctor. You will be considered Totally and Permanently Disabled if, because of a physical or mental impairment, you are completely unable to engage in any gainful occupation for which you are reasonably qualified by education, training or experience, and this disability will likely

be permanent and continue for the remainder of your life.

Amount of Monthly Pension:

- 100% of your earned pension

Pre-Retirement Death Benefits – Participants with a Spouse:

Spouse’s Pension Requirements:

- Deceased Participant must have at least five years of Pension Credit

Amount of Monthly Pension:

- The monthly amount will be based on 50% of your earned pension calculated as though you were age 65 on the date of your death. The monthly amount will not be less than the “lump sum value” of 100% of your earned pension at your normal retirement date.

Pre-Retirement Survivor Pension Requirements:

- Deceased Participant with less than five years of Pension Credit

Amount of Monthly Pension:

- Participants Under Age 55 – Cash payment equal to the “lump sum value” of 100% of your earned monthly pension at your date of death.
- Participants Over Age 55 - The monthly amount will be based on 100% of your earned pension calculated as though at the date of your death you had retired, and had elected to receive a monthly pension in the 60% Joint and Survivor option.

Pre-Retirement Death Benefits – Participants without a Spouse:

Dependant Survivor Benefit Requirements:

- Deceased Participant must have at least five years of Pension Credit. If more than one dependant, the benefit is divided equally amongst them.

Amount of Monthly Pension:

- The monthly amount will be based on 50% of your earned pension calculated as though you were age 65 on the date of your death. Maximum of 60 payments.

Lump Sum Death Benefit Requirements:

- Deceased Participant has no dependant eligible for Spouse’s Pension, Pre-Retirement Survivor’s Pension or Dependant Survivor Benefit.

Amount of Benefit:

- Participants Under Age 55 – Cash payment equal to the “lump sum value” of 100% of your earned monthly pension at your date of death.
- Participants Over Age 55 – Cash payment equal to the “lump sum value” of your earned monthly pension calculated as though:
 - you were retired on the date of your death,
 - had a spouse three years younger; and
 - were receiving a monthly pension in the 60% Joint and Survivor option.
- The monthly benefit will not be less than the monthly pension which equals your Employee Contributions, if any, credited with interest.

Termination of Participation - Break in Service:

Break in Service:

- Failure to work at least 350 hours in Covered Employment within two consecutive Calendar Years.

Benefit Payment Options:

- If you have met your Vesting Date Requirements – Deferred monthly pension payable at Normal or Early Retirement Age.
- If you have not met your Vesting Date Requirements – A lump sum refund of your Employee Contributions, if any, with credited interest.

STATEMENT TO FORMER PARTICIPANTS

In order to receive any benefits from the Plan you must have met the **Vesting Date** requirements in effect on the date your **Break in Service** occurred.

The amount of monthly pension you earned during your period of Plan participation was provided to you following the date of your **Break in Service**. This amount was based on the terms of the Plan in effect at that date. In addition, a pension statement is provided to you each year, which outlines the amount of your Deferred Pension and other details relating to your **Benefit Credit** and **Past Service**, if any.

The pension benefits that will be paid to you, or to your Spouse, Beneficiary or Dependant in the event of your death, will be based on the Plan provisions in effect at the date of your **Break in Service**; *i.e.*, reduction for early retirement, etc.

Deferred Pension Benefits: Your pension was calculated based on a monthly annuity which equals your Employee Contributions, if any, credited with interest, plus the pension you earned based on the contribution rate paid by your Employer for your hours worked. This contribution rate determined the amount of monthly pension for your **Past Service Credit** and the amount of monthly pension for each hour of **Benefit Credit**.

Please see the following examples of the contribution rate and monthly pension amounts.

Former Participants who last worked in Covered Employment between January 1, 1999 and December 31, 2000

Earned Contribution Rate	Benefit Unit per hour of Past Service Credit	Benefit Unit per hour of Future Service Benefit Credit
\$0.25	\$0.00812	\$0.00813
0.50	0.00975	0.01308
0.75	0.00975	0.01725
1.00	0.00975	0.02142
1.25	0.00975	0.02558
1.50	0.00975	0.02975
1.75	0.00975	0.03392
2.00	0.00975	0.03808
2.25	0.00975	0.04142
2.50	0.00975	0.04475
2.75	0.00975	0.04746
3.00	0.00975	0.05017
3.25	0.00975	0.05225
3.50	0.00975	0.05433
3.75	0.00975	0.05433
4.00	0.00975	0.05433
4.25	0.00975	0.05433
4.50	0.00975	0.05433
4.75	0.00975	0.05433
5.00	0.00975	0.05433
5.25	0.00975	0.05433

Former Participants who last worked in Covered Employment between January 1, 1992 and December 31, 1998

Should you have any questions please contact Funds Administrative Service Inc. by telephone at 1-800-770-2998 or by email at questions@fasadmin.com

BRICKLAYERS & ALLIED CRAFTWORKERS PENSION FUND OF ALBERTA AND SASKATCHEWAN

Earned Contribution Rate	Benefit Unit per hour of Past Service Credit	Benefit Unit per hour of Future Service Benefit Credit
\$0.25	\$0.00812	\$0.00813
0.50	0.00975	0.01292
0.75	0.00975	0.01688
1.00	0.00975	0.02083
1.25	0.00975	0.02479
1.50	0.00975	0.02875
1.75	0.00975	0.03271
2.00	0.00975	0.03667
2.25	0.00975	0.04000
2.50	0.00975	0.04333
2.75	0.00975	0.04604
3.00	0.00975	0.04875
3.25	0.00975	0.05083

10154 – 108 Street NW
Edmonton, Alberta
T5J 1L3

Telephone: (780) 452-5161
Toll Free: 1-800-770-2998

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Funds Administrative Service Inc.

Board Mission Statement

To provide members with the opportunity to accumulate adequate funds for retirement.

Former Participants who did not work in Covered Employment on or after January 1, 1992

Earned or Actual Contribution Rate	Benefit Unit per hour of Past Service Credit	Benefit Unit per hour of Future Service Benefit Credit
\$0.10	\$0.00325	\$0.00325
0.20	0.00650	0.00650
0.30	0.00975	0.00975
0.50	0.00975	0.01242
0.70	0.00975	0.01508
0.90	0.00975	0.01775
1.10	0.00975	0.01971
1.20	0.00975	0.02063

Note: These are not complete contribution rate tables.