LABORERS' PENSION FUND OF WESTERN CANADA

PLAN BOOKLET

January 2016

LABORERS' PENSION FUND OF WESTERN CANADA

10154 – 108 Street NW
Edmonton, Alberta
T5J 1L3

Telephone: (780) 453-2303
Toll Free (Canada & U.S.): 1-800-661-7369
Fax: 780-452-5388
Website: www.ellement.ca

BOARD OF TRUSTEES

LEGAL COUNSEL

DLA Piper

CONSULTANTS AND ACTUARIES

The Segal Company, Ltd.

AUDITORS

KPMG LLP

FUND OFFICE

Ellement Consulting Group

LABORERS' PENSION FUND OF WESTERN CANADA

This is a brief description of the rules and regulations of the Laborers' Pension Fund of Western Canada, effective as of January 1, 2016. The rules described in this booklet apply to individuals who were active participants in the Plan on January 1, 2016 and become entitled to receive a benefit from the Plan on or after January 1, 2016. The official Rules and Regulations describe the provisions of the Plan in more detail and are the final authority with respect to your eligibility to participate and the benefits you receive under the Plan.

This summary has been prepared to give you an overview of the Laborers' Pension Fund of Western Canada (the "Plan") and to help you make decisions about retirement. Please keep it in a safe place so you will be sure to have it for future reference. In addition, share it with your spouse, children, or anyone else who is important to you. If you have any questions about the Plan, please contact the Fund Office at 1-800-661-7369 (780-453-2303 within the Edmonton area).

TABLE OF CONTENTS

I INTRODUCTION

Introduction

The Plan is maintained pursuant to collective bargaining agreements between contributing employers and the Local Unions and District Councils of the Laborers' International Union of North America, or other agreements approved by the Trustees.

Highlights of the Plan

This section just highlights major features of the Plan.

In 2015, the Plan introduced a Savings Account Option. If you return to work after you start to receive a retirement pension, you will be eligible to participate in the Plan's Savings Account Option, in which case the contributions remitted on your behalf are notionally deposited to an account in your name and credited with investment earnings based on how well the Plan's investments perform. At a future date, you are required to transfer your balance to a locked-in retirement account (LIRA). The Savings Account Option is supplementary to the benefits you earn up to your retirement and is covered in more detail in the section called Savings Account Option After Retirement, which starts on page 32. Other than that section, the remainder of this booklet covers the benefits you earn prior to retirement. The details of the benefits you earn prior to retirement are covered in the following sections.

Becoming a Participant - Participation automatically starts on January 1st of the year after you meet the Plan's eligibility requirement – a total of 350 or more hours of Covered Employment in each of two consecutive calendar years. If you are covered by an agreement other than a collective bargaining agreement, you must also earn at least 35% of the Year's Maximum Pensionable Earnings or YMPE in each of those years.

Earning Service - Your employment counts two ways under the Plan - as Pension Credit and Benefit Credit.

Pension Credit is used to determine eligibility for certain Plan benefits. It is also used in the formula that determines the amount of your Plan benefit.

Benefit Credit is used in the formula that determines the amount of your Plan benefit.

Benefit Eligibility – Here are the types of benefits available under the Plan once you have completed the requirements for participation, effective January 1, 2016:

- ***Normal Retirement –*** once you have reached age 65**.**

- ***Early Retirement –*** once you have reached age 55[1].

- ***Disability Retirement –*** available if (1) you are an active participant and become "totally and permanently disabled" (as defined in the Plan) before qualifying for Normal Retirement or (2) you are a former participant entitled to a deferred pension and become "terminally ill" (as defined in the Plan) before qualifying for Normal Retirement.

Benefit Amounts – Plan benefits earned up to your retirement date are calculated under a formula that takes into account the period of your service, as well as the rates at which employers have made contributions on your behalf. The amount of your pension will also be affected by:

- your age when your pension begins,

- the type of retirement you take,

- whether your benefit provides payments to your spouse or beneficiary after your death, and

- the Plan formula in effect when your Covered Employment ends.

Choosing How Your Pension is Paid — The Plan offers several different payment options, including:

- monthly payments for your life only,

- monthly lifetime payments that will continue to a beneficiary or beneficiaries if you die within a specified guaranteed period (5, 10 or 15 years), and

- a "joint and survivor" annuity under which, in the event you die before your spouse, 60%, 75% or 100% of your pension continues to your spouse following your death for the remainder of your spouse's life.

If You Die Before Retirement – If you have a spouse, your spouse will be entitled to a benefit. If you do not have a spouse, then a lump sum payment is made to your beneficiary or estate. There is no death benefit if you have not at least satisfied the rules for becoming a participant as of the date of death.

[1] If you were born prior to 1966, you can retire once you have reached age 52.

How the Pension Trust Fund Works

Your Local Union or District Council and your employer negotiate contribution levels, while the Plan Trustees set benefit levels. Contributions made by all employers are pooled and placed in a common Trust Fund. The money in this Trust Fund is invested on behalf of all Plan participants by the Trustees. The money in the Trust Fund is used to pay benefits and Plan administration costs. Any contributions you may have made to the Plan under the self-pay provision or any employer contributions notionally deposited in the Savings Account Option are also invested in this Trust Fund.

II BEGINNING WORK

Beginning Work

Becoming a Plan Participant

To become a Plan participant, you must complete a total of 350 or more hours of work in Covered Employment in each of two consecutive calendar years following the date contributions are first remitted on your behalf.

> "Covered Employment" means employment in a category of employment for which an employer is obligated to contribute to the Plan on your behalf pursuant to an agreement with the Union, a District Council, or any other agreement acceptable to the Plan Trustees.

Once you have completed the service requirement during a calendar year, your participation starts on the following January 1st. At that time, you receive retroactive credit for your prior hours of work in Covered Employment in each of the two consecutive calendar years, which made you eligible to join the Plan.

If your participation in the Plan results from an agreement other than a collective agreement, you start participation once you complete 350 hours of Covered Employment in each of two consecutive years after contributions start, as long as you earned a minimum amount of income (35% of the YMPE) in each of those two years.

> "YMPE" or "Year's Maximum Pensionable Earnings" is defined by the government and means the maximum amount of earnings on which contributions may be made to the Canada Pension Plan. The YMPE also defines the maximum benefits payable from the Canada Pension Plan. The YMPE increases annually to reflect increases in the average earnings of all Canadians. The YMPE for 2016 is $54,900 and 35% of the YMPE for 2016 is $19,215.

Earning Plan Service

Your service plays an important role under the Plan. It may be used to determine both whether you are eligible to participate in the Plan and how much you will receive. For this reason, it is important to understand the service terms used under the Plan:

- Pension Credits, and
- Benefit Credits.

Your employment counts two ways under the Plan: as Pension Credits and Benefit Credits.

Pension Credits. Pension Credits are used to determine your eligibility for certain types of benefits. Pension credits are also used in the formula that determines the amount of your Plan benefit. There are two types of Pension Credits: "past service" and "future service" pension credits.

- ***"Past service"*** Pension Credits were granted in prior years for service in Covered Employment before the date an employer started contributing to the Plan on behalf of his employees. If you were covered by such an arrangement, your quarters of past service Pension Credit are reported on your annual pension statement.

- ***"Future service"*** Pension Credits are for service after Plan contributions on your behalf started.

  You earn ¼ of a year of future service Pension Credit for each 300 hours in Covered Employment. There is a maximum of four quarters of credit per year. The following table shows how this works:

Hours in Covered Employment in a Calendar Year	Future Service Credit Granted
Less than 300 hours	0.00
300 – 599 hours	0.25 (¼)
600 – 899 hours	0.50 (½)
900 – 1,199 hours	0.75 (¾)
1,200 or more hours	1.00

To determine your total Pension Credits, you add your past service Pension Credits and your future service Pension Credits.

Benefit Credit. *Benefit Credit is used to figure the amount of your pension and is calculated this way:*

- ***Before January 1, 1986*****,** Benefit Credit is determined by multiplying your total quarters of future service Pension Credit by 300 hours. For example, if you had 10 quarters (2½ years) of future service Pension Credits, your Benefit Credit for this period would be 3,000 hours (10 x 300). During this period the maximum hours of Benefit Credit you could earn in a year was 1,200. In other words, prior to 1986, you could not get credit for more than 1,200 hours of work in Covered Employment per calendar year.

- ***Starting January 1, 1986*****,** Benefit Credit is determined by adding all hours worked in Covered Employment. This means that starting from January 1, 1986, Benefit Credit includes hours in excess of 1,200 in a year.

In addition to the hours contributed on your behalf by employers, you have the ability to contribute additional contributions yourself in certain circumstances in order to increase your pension entitlement. The details of this "self-pay" provision are described below.

Earning Additional Pension Credits through Self-Pay

If you have fewer than 1,200 hours in a year, you may have the option of "self-paying" for additional hours. Here are the rules that apply to the purchase of additional Pension Credits:

- You must be a participant who is a member of the Union.
- You may purchase hours in January or February of each year for the immediately preceding year if your hours of credit for that prior year are less than 1,200, but only to the extent that is required to bring your total hours (both worked and self-paid) up to a maximum of 1,200.
- You must purchase hours in blocks of 300 hours, or the exact number of hours required to bring your total hours in Covered Employment to a total of 1,200.
- Self-paid hours can be used to prevent a Break in Service.
- The amount you will be required to pay will be based on the required contribution rate under the current collective bargaining agreement for the area in which you last worked.
- Your payment must be made by February of the year following the year in which the service is to be credited.
- You may not make self-payments for the year in which you retire or reach normal retirement age, or in any year after retiring or reaching normal retirement age.
- For income tax purposes, a self-payment is similar to a Registered Retirement Saving Plan or RRSP contribution. As with RRSP contributions, you must ensure that you have sufficient "RRSP room" prior to making the self-payment. The Canada Revenue Agency provides you with an update of your RRSP room each year on your Notice of Assessment after you file your income tax return. Self-payments will reduce the amount of money you could otherwise contribute to an RRSP.
- A receipt will be issued for tax purposes. A T4A will be issued if your payment is received in January (reported as a Pension Adjustment) and a T1004 will be issued if the payment is received in February (reported as a Past Service Pension Adjustment). Your circumstances will dictate for which tax year you may claim the tax deduction.

Self-Pay Example

Joe works 850 hours in 2015. He has the option of purchasing 300 hours or 350 hours. If he purchases 300 hours, his total hours will be 1,150 and if he purchases 350 hours, his total would be 1,200. Joe must purchase his hours by February 29, 2016.
If Joe works in industrial work at a contribution rate of $4.25 per hour, his self-payment would be either $1,275.00 (300 hours x $4.25) or $1,487.50 (350 hours x $4.25).

Earning Additional Pension Credits While Working Through Another Local

This Plan covers all members who work in covered employment in jurisdictions covered by Locals 92 and 1111 (Alberta), Local 180 (Saskatchewan), and the Dock and Shipyard workers in Victoria(previously Local 1204). If you work in covered employment under a LIUNA collective agreement for any of these Locals, your contributions and hours of work are automatically reported to the Fund Office on your behalf.

The Plan also has “money follows the worker” agreements in place with The Labourers’ Pension Plan of Central and Eastern Canada and the BC Labourers’ Pension Plan. If you work under a LIUNA collective agreement that requires pension contributions be remitted to either of these two pension plans, you have the option to have these contributions forwarded to this Plan. The forwarding of contributions will not occur automatically. If you would like to receive credit for your hours of work and have your contributions transferred to this Plan, you must contact the Local where you are working to advise them to forward the contributions.

There are two key advantages to accumulating all your pension credits in one pension Plan. Firstly, it may permit you to avoid a Break in Service (defined on page 11) in either pension plan, in which case you lose entitlement or eligibility for certain benefits. Secondly, it will permit you to receive a single monthly pension payment from this Plan instead of two smaller pension payments from two different pension plans.

III LEAVING WORK

Leaving Work

If your employment is interrupted and you have a Break in Service, you may lose the Vesting Service and Pension Credit you earned before the break. This could affect the calculation of any benefit you later receive from the Plan. Here is how the Plan's Break in Service rules work.

Break in Service

Prior to January 1, 2004, you had a "Break in Service" if you:

- failed to work a total of at least 350 hours in Covered Employment, including any hours of self-payments, during a period of five consecutive calendar years, or

- exercised your "portability option" and transferred your entitlement out of the Plan (more information on the portability option is provided on page 12).

On or after January 1, 2004, you have a "Break in Service" if you fail to work a total of at least 350 hours in Covered Employment, including any hours of self-payments, during a period of two consecutive calendar years.

***The effect of a Break in Service*.** If you did not satisfy the requirements for participation (as outlined on page 6) before your Break in Service, then you will lose credit for all previously accumulated service. If you did satisfy the requirements for participation before your Break in Service, you remain entitled to receive a "deferred pension" from the date you ultimately decide to retire. If you choose to have your accrued benefit transferred to another plan under the Plan's "portability option", you shall not be entitled to any further benefits from the Plan for the period of service over which the transferred benefits were originally earned. Should you return to active employment after previously transferring benefits using the portability option, your prior service will not count in any way when determining any future entitlements arising from the new period of active Covered Employment.

If you return to active Covered Employment you must also meet the participation requirements all over again.

About the Portability Option

The portability option is a way for you to manage your retirement income directly by transferring the lump sum "commuted value" of your pension to another approved plan. You may be eligible to exercise your portability option if you incur a Break in Service before reaching age 55. You may transfer your benefit to:

another pension plan if that other plan permits it, or

a locked-in Registered Retirement Savings Plan that is registered under the Income Tax Act and subject to the conditions prescribed by, as applicable, (1) the Alberta Employment Pension Plans Act and the Regulations thereunder, (2) the Saskatchewan Pension Benefits Act, 1992, and the Regulations thereunder, or (3) the British Columbia Pension Benefits Standards Act and the Regulations thereunder.

Note that if you elect to transfer your benefit using the portability option, you will not be entitled to any further benefits from the Plan for the period of service related to the transfer, and you will have to re-satisfy the participation requirements should you ever return to Covered Employment.

For more information about the Portability Option, contact the Fund Office.

Importance of reading Plan communications and keeping your address up-to-date

Following a Break in Service, a termination package would be sent to you by registered mail in March of the following year. You would then have 90 days to elect the transfer of your benefit. If no response is received within 90 days, your pension is defaulted to the monthly retirement option at the age of 65 (or early retirement as early as age 55). You will not be provided with a second opportunity to elect the portability option in the future. Therefore, it is very important to read all Plan communications sent to you and to keep your mailing address updated at all times, as these packages are sent automatically to the mailing address on file. Unless the package is returned to the Fund Office as being undeliverable, you will have received your only opportunity to elect the portability option.

Exceptions to the Break in Service Rules

No Break in Service will occur if your failure to work in Covered Employment is due to:

- service in the Canadian Armed Services in time of war or national emergency, provided you make yourself available for Covered Employment within 90 days after release from active duty or 90 days after recovery from a disability that continues after your release from active duty.

- proven disability (based on medical evidence) that involves a total inability to work in the capacity in which you were employed when you became disabled and you have not worked at any other job during your disability. Only the first three years of disability will be considered in determining if a Break in Service has occurred.

Terminations Prior to Meeting Participation Requirements

As all contributions are made to the Plan by your employer, there is no provision in the Plan to refund contributions to you or your employers if you never meet the conditions required for participation in the Plan. Therefore, you forfeit all contributions and service when you incur a Break in Service prior to becoming a Plan participant. All forfeited contributions remain in the Pension Trust Fund and are used to provide benefits for the remaining Plan participants.

IV RETIREMENT

Retirement

When You Qualify for a Benefit

There are four types of retirement benefits available under the Plan:

- normal retirement (from active participation)
- early retirement (from active participation)
- disability retirement (disability benefits are described in the section called "If You Become Disabled")
- deferred retirement (by former participants with a deferred pension entitlement).

Normal Retirement

You can apply for a normal retirement benefit once you attain age 65 and you have met the service requirement for participation in the Plan.

How normal retirement benefits are determined. Benefits are determined under a formula that takes into account the length of your service, the rate or rates at which employers contributed on your behalf, and the benefit levels in effect when you retire.

The Plan Formula

Our Plan has been in existence for many years, and the Plan formula has changed from time to time. Effective August 1, 2015, the Plan formula changed once more to an approach where you get full credit for the entire contribution remitted to the Plan on your behalf. The normal retirement age also changed to age 65 for service on and after January 1, 2016. Therefore, for someone who retires in 2016 or later, the benefit will be calculated in three parts: for service on and after January 1, 2016, for service between January 1, 2002 and December 31, 2015 and for service before January 1, 2002. Note that in 2008 all benefits earned up to that date, or in payment on that date, were reduced by 8%.

Normal Retirement Pension Formula for Service on and after January 1, 2016:

Commencing in 2016, the amount of pension you earn is directly tied to the number of hours credited to you at any given contribution rate. Use the Benefit Table on page 16 to determine the monthly amount of pension for each 1,000 hours of Benefit Credit earned on and after January 1, 2016 at a particular contribution rate.

2016 Benefit Rate Table

Contribution Rate Per Hour	Benefit Rate for Each 1,000 Hours of Benefit Credit
$0.70	$19.39
0.80	22.11
0.90	24.83
1.00	27.55
1.10	29.94
1.20	32.34
1.30	34.73
1.40	37.12
1.50	39.51
1.60	41.91
1.70	43.11
1.80	43.99
1.90	44.88
2.00	45.76
2.10	46.65
2.20	47.53
2.30	48.41
2.40	49.30
2.50	50.18
2.60	51.07
2.70	51.95
2.80	52.84
2.90	53.72
3.00	54.60
3.10	55.49
3.20	56.37
3.30	57.26

Contribution Rate Per Hour	Benefit Rate for Each 1,000 Hours of Benefit Credit
$3.40	$58.14
3.50	59.02
3.60	59.91
3.70	60.79
3.80	61.68
3.90	62.56
4.00	63.44
4.10	64.33
4.20	65.21
4.30	66.10
4.40	66.98
4.50	67.87
4.60	68.75
4.70	69.63
4.80	70.52
4.90	71.40
5.00	72.29
5.10	73.17
5.20	74.06
5.30	74.94
5.40	75.83
5.50	76.71
5.60	77.59
5.70	78.48
5.80	79.36
5.90	80.25
6.00	81.13

For example, if you worked 1,000 hours at a $3.00 per hour contribution rate and another 600 hours at a $3.50 contribution rate, you would earn an additional $90.01 in monthly pension, which would be calculated as follows:

(1) In the table above, the Benefit Rate associated with a $3.00 contribution rate is $54.60, so 1,000 hours x $54.60 ÷ 1,000 = $54.60

(2) In the table above, the Benefit Rate associated with a $3.50 contribution rate is $59.02, so 600 hours x $59.02 ÷ 1,000 = $35.41

(3) The total monthly amount of Normal Retirement pension earned is $54.60 + $35.41 = $90.01.

Normal Retirement Pension Formula for Service for the Years 2002 to 2015:

(1) For all calendar years from 2002 to 2015, the amount of pension you earn for any period is based on the "applicable contribution rate". Use the Benefit Table on page 19 to determine the monthly amount of pension for each 1,000 hours of Benefit Credit earned on and after January 1, 2002 at a particular applicable contribution rate.

(2) For the 2002 calendar year, the applicable contribution rate is simply the hourly rate remitted by your employer in accordance with the collective agreement. Starting somewhere between 2002 and 2005 (depending on which collective agreement you are working under), 6% of the negotiated contribution rate (rounded to the nearest $0.05) is disregarded in determining the applicable contribution rate. For example, we will assume the 2002 contribution rate was $3.00 per hour and under the terms of the next collective agreement the contribution rate increased by $0.15 per hour in each of the next three years. The applicable contribution rates for this example are illustrated in the table below.

Year	Contribution Rate in Collective Agreement	Applicable Contribution Rate
2002	$3.00	$3.00
2003	$3.15	$3.00
2004	$3.30	$3.10
2005	$3.45	$3.25

Effective September 1, 2011, 15% of the negotiated contribution rate (rounded to the nearest $0.05) is disregarded in determining the applicable contribution rate.

(2) Divide the total hours of Benefit Credit earned on and after January 1, 2002 for that particular applicable contribution rate by 1,000.

(3) Multiply the monthly pension amount in (1) by the factor determined in (2).

(4) Repeat steps (1) through (3) for each applicable contribution rate remitted on your behalf after January 1, 2002 and sum the individual totals at each rate.

<u>For example</u>, if you had 2,000 hours of Benefit Credit in 2012, and all the hours were earned at an applicable contribution rate of $3.00 per hour, you would have earned a monthly pension amount of $129.60 (2,000/1,000 x $64.80).

As another example, if 1,000 hours of Benefit Credit were earned in 2012 at a $2.50 applicable contribution rate, and 1,000 hours were earned at a $3.00 applicable contribution rate, you would have earned a monthly pension amount of $124.35 ($59.55 plus $64.80).

***Keep this in mind*.** As demonstrated above, in calculating benefits for service after 2001, actual hours of Benefit Credit at each different contribution rate are used (and not an average rate as described below for service prior to 2002).

Normal Retirement Pension Formula for Service Prior to December 31, 2001:

For service before 2002, there are separate calculations for past service and future service Pension Credits.

Average Contribution Rate

Before any benefit calculations are done, your applicable "average contribution rate" is determined. This is the average of contribution rates for the 6,000 consecutive hours of Covered Employment prior to 2002 when contributions were the highest. This average hourly contribution rate will then be used to determine your pension in respect of past service and future service Pension Credits earned before 2002.

As no contributions were remitted in respect of periods of past service, these periods cannot be included in the calculation of the 6,000-hour average.

Past Service

(1) Once the average contribution rate is determined, the monthly amount of pension for each quarter of past service Pension Credit is determined by multiplying the benefit amount in Column 2 of the Benefit Table (see page 19) for that contribution rate by the total quarters of past service Pension Credit.

For example, if you had 2.5 years (10 quarters) of past service Pension Credit before 2002 at an average contribution rate of $3.00, the amount of monthly pension earned for that period would be $188.30 (10 x $18.83). The total of $188.30 is then reduced by 8% resulting in a monthly payment of $173.24.

Future Service

(2) Once the average contribution rate is determined, find the monthly amount of pension for each 1,000 hours of Benefit Credit by using Column 3 of the Benefit Table.

(3) Divide the total hours of Benefit Credit by 1,000.

(4) Multiply the monthly pension amount in (2) by the factor determined in (3).

For example, if you had 10,000 hours of Benefit Credit after 2007 at an average rate of $3.00 an hour, you would earn a monthly pension of $648.00 for that service (10,000/1,000 x $64.80).

Benefit Table*

Column 1 Applicable Contribution Rate Per Hour	Column 2 Normal Monthly Pension Amount for Each Quarter of Past Service Credit	Column 3 Normal Monthly Pension Amount for Each 1,000 Hours of Benefit Credit
$ .10	$ 1.02	$ 3.41
.20	2.04	6.87
.30	3.05	10.49
.40	4.07	13.95
.50	4.94	16.93
.60	5.80	19.97
.70	6.72	23.02
.80	7.64	26.27
.90	8.60	29.47
1.00	9.52	32.71
1.10	10.38	35.55
1.20	11.20	38.43
1.30	12.01	41.26
1.40	12.83	44.09
1.50	13.64	46.93
1.60	14.46	49.75
1.70	14.86	51.17
1.80	15.17	52.22
1.90	15.47	53.26
2.00	15.78	54.31
2.10	16.08	55.36
2.20	16.39	56.41
2.30	16.70	57.46
2.40	17.00	58.50
2.50	17.31	59.55
2.60	17.61	60.61
2.70	17.92	61.66
2.80	18.22	62.71
2.90	18.53	63.75
3.00	18.83	64.80
3.10	19.13	65.85
3.20	19.43	66.90
3.30	19.73	67.95

Column 1 Applicable Contribution Rate Per Hour	Column 2 Normal Monthly Pension Amount for Each Quarter of Past Service Credit	Column 3 Normal Monthly Pension Amount for Each 1,000 Hours of Benefit Credit
3.40	20.03	69.00
3.50	20.33	70.05
3.60	20.63	71.10
3.70	20.93	72.15
3.80	21.23	73.20
3.90	21.53	74.25
4.00	21.83	75.30
4.10	22.13	76.35
4.20	22.43	77.40
4.30	22.73	78.45
4.40	23.03	79.50
4.50	23.33	80.55
4.60	23.63	81.60
4.70	23.93	82.65
4.80	24.23	83.70
4.90	24.53	84.75
5.00	24.83	85.80

* Note: Different benefit tables apply if you had a permanent Break in Service prior to 1999. If this affects you, you will need to contact the Fund Office for detailed information.

For contribution rates that fall between the amounts shown (for example, $4.97), benefit amounts are prorated.

Calculating a Normal Retirement Pension

Example of a Normal Pension Calculation

Example 1

John retired on January 1, 2005 at age 65.

For Service before 2002, he has:

- an average contribution rate of $2.50
- 2.5 years (10 quarters) of past service Pension Credit
- 30,000 hours of Benefit Credit

For service since January 1, 2002, he has:

- 1,000 hours of Benefit Credit at an applicable contribution rate of $4.00
- 600 hours of Benefit Credit at an applicable contribution rate of $4.20

Here is how his pension was calculated:

For service before 2002:

- past service benefit 10 x $17.31 = plus	$ 173.10
- future service benefit 30,000/1,000 x $59.55 =	$1,786.50
Total benefit for service before 2002	***$1,959.60***
For service after January 1, 2002:	
- 1,000/1,000 x $75.30 =	$ 75.30
- 600/1,000 x $77.40 =	$ 46.44
Total benefit for service after January 1, 2002	***$ 121.74***
John's total monthly pension:	***$2,081.34***

As John's payments commenced before January 1, 2008, the full amount of $2,081.34 was paid up until December of 2007. His monthly payments in 2008 and later equal $1,914.83.

If you retire on or after January 1, 2016 and you are older than 62 (the Plan's previous normal retirement age) but not yet age 65, that will be considered an early retirement and subject to the rules as described below.

Early Retirement

You are eligible for early retirement once you have reached age 55 (or age 52 if you were born prior to 1966).

How early retirement benefits are calculated. Early retirement benefits are determined using the same basic formula as normal retirement benefits, based on earned service and benefit rates in effect at the time employment ends. However, early retirement benefits are then reduced to reflect the fact that payments will be made over a longer period of time. When the Plan's normal retirement age was increased from 62 to 65 on January 1, 2016, the early retirement adjustment factors also changed at that time, but only for benefits earned after 2015. The pension you earned prior to 2016 continues to be reduced in accordance with the rules that were in place prior to 2016.

On early retirement, your pension is reduced by half of 1% (0.5%) for each month you retire early.

The following table shows how these reductions work.

Exact Age When Payments Start	Amount of Reduction Applied to Your Pension	
	For Benefits Earned Prior to 2016	For Benefits Earned after 2015
65	0%	0%
64	0%	6%
63	0%	12%
62	0%	18%
61	6%	24%
60	12%	30%
59	18%	36%
58	24%	42%
57	30%	48%
56	36%	54%
55	42%	60%
54	48%	66%
53	54%	72%
52	60%	78%

If you retire between birthdays, the percentage reduction used will be prorated for each month that has passed since your birthday. For example, a participant retiring at age 60½ is half way between and 60 and 61, thus the applicable reduction will be half way between the reductions show for age 60 and 61. This means the percentage reduction applied to benefits earned prior to 2016 is 9% and the percentage reduction applied to benefits earned after 2015 is 27%.

Calculating an Early Retirement Reduction

If you were born on January 1, 1960 and retire on July 1, 2016, you would be 56½ at retirement. We will assume you earned $1,000 of pension prior to 2016 and $100 of pension after 2015. The early retirement reduction is calculated separately for each of these two pieces.

Pension earned prior to 2016

Being age 56½ on your retirement date, with pension payments starting five years and six months before age 62 (a total of 66 months), the reduction on the $1,000 of pension you earned prior to 2016 will be 33% (5 x 6%, plus 6 x 0.50% = 3%). This can also be calculated as 66 months early x 0.5% per month = 33%. Applying this reduction to the $1,000 of pension earned prior to 2016, you end up with a pension payable of $670 per month, which is calculated as follows.

33% x $1,000 = $330

$1,000 less $330 = reduced monthly pension of $670

Pension earned after 2015

Being age 56½ on your retirement date, with pension payments starting eight years and six months before age 65 (a total of 102 months), the reduction on the $100 of pension you earned after 2016 will be 51% (8 x 6%, plus 6 x 0.50% = 3%). This can also be calculated as 102 months early x 0.5% per month = 51%. Applying this reduction to the $100 of pension earned after 2015, you end up with a pension payable of $49 per month, which is calculated as follows.

51% x $100 = $51

$100 less $51 = reduced monthly pension of $49

Total pension

Your total early retirement pension starting at age 56½ is the sum of the two pieces, being $670 + $49 = $719

Deferred Pension

Even if you leave Covered Employment after 2015 before qualifying for a normal or an early retirement benefit, you will still be entitled to a deferred pension, payable starting as early as age 55 (or age 52 if you were born prior to 1966). If you wait until age 65 or later to commence your pension, the full amount will be payable. If you elect to commence payment prior to age 65, an early retirement reduction will apply as described above under “Calculating an Early Retirement Reduction”.

Don’t forget: If you exercised the portability option described in the section called “Leaving Work”, no benefits will be paid to you from this Plan. Benefits will instead be paid from the plan or arrangement to which you transferred your benefit.

***If you had a Break in Service which occurred before 1999*.** If you had a Break in Service before 1999 but on or after January 1, 1994, and you were entitled to a deferred pension at that time, the amount of your deferred pension will be calculated a different way – using the Plan rules and benefit rates in effect under the earlier Plan. Although the benefit rates for past service Pension Credit were the same under that plan, benefit rates for future service Pension Credit were lower. Contact the Fund office if you need more information about these rules.

***Breaks in Service before 1994*.** Different benefit rates and rules also applied if a Break in Service occurred before 1994. Contact the Fund Office if you need more information about these rules.

How Your Benefit is Paid

This section describes the normal and optional forms of payment under the Plan. However your benefit is paid, the starting point is always a monthly pension paid for as long as you live. That monthly amount may then be adjusted depending on whether you elect an optional form of payment.

Normal Forms of Payment

The way your pension is normally paid depends on whether you have a spouse when payments start. (See page 30 at the end of this section for the definition of “spouse” in your province.) Unless you elect an optional form of payment, your benefit will normally be paid like this:

***If you have a spouse*,** your benefit is normally paid as a 60% “joint and survivor” pension. Under this arrangement, the monthly amount calculated for you under the Plan formula is reduced in order to provide continuing payments to your spouse in the event you die first. The amount of reduction depends on your age and your spouse’s age when payments begin. The reduction is calculated such that the “actuarial value” of the expected additional cost to the Plan of providing a monthly pension to your spouse (should you die first) equals the actuarial value of the expected savings to the Plan of paying you a smaller monthly pension while you are alive. In other words, the

Plan is expected to neither pay more or less in total pension payments by providing this option.

If your spouse survives you, he or she will receive 60% of your reduced pension for their remaining lifetime. If you do not want to have your pension paid this way, you may, with your spouse's written consent, elect a different form of payment.

Commencing with retirements occurring on or after January 1, 2004, if your spouse dies before you**,** your monthly pension benefit will be restored to its original level prior to being reduced to reflect the joint and survivor form of payment. However, if your spouse dies before your pension starts, the joint & survivor form of payment will not take effect and you will be treated like an unmarried participant.

If you are subject to the pension law of British Columbia, the joint & survivor form of payment will not apply to any spouse or former spouse with respect to whom the Trustees have received a notice of division of pension benefits before pension payments start.

If you do not have a spouse, you normally receive the full amount produced by the Plan formula, guaranteed for 120 months (for 60 months if you retire on a disability pension). This means that if you die within 120 (or 60) months after payments start, monthly payments will continue to your beneficiary for the balance of the guaranteed period. If you die after the end of the guaranteed period, all payments stop and no benefits are paid to your beneficiary.

You may, subject to the spousal consent rules, choose any person or persons as your beneficiary(ies). You may also change your beneficiary designation at any time by filing a form with the Trustees. If you do not name a beneficiary or if your beneficiary dies before you, then any amounts due upon your death will be paid to your estate.

Optional Forms of Payment

Whether or not you have a spouse, you may instead elect an optional form of payment if you retire on a normal, early or deferred pension. If you have a spouse at retirement, some of the optional forms of payment are only available if your spouse signs a waiver. When you elect an optional form, the benefit otherwise payable under the normal form will be "actuarially" adjusted.

Payment levels for optional forms of payment are "actuarially" adjusted to reflect the fact that payments may be made for a longer or shorter period than under the normal form. Therefore, this adjustment could result in either a reduction or an increase in your monthly pension. This way, each option is expected to provide the same overall level of pension payments over time. Hence, there is no one best option for everyone and your choice should be a matter of personal preference and circumstance.

You select an optional form when you apply for your benefit – the details appear at the end of this section. You may also change your mind and elect a different form of payment at any time before you receive your third pension payment, as long as there have been no changes in your personal status (such as acquiring a spouse) after your retirement date.

Here are the optional forms of payment currently available under the Plan:

- ***Life Annuity – No Guarantee –*** You receive monthly payments for your life only, with no further benefits paid after your death.

- ***60 Month (5 year) Guarantee –*** You receive monthly pension payments for as long as you live, with the guarantee that if you die before receiving 60 payments, your beneficiary or estate will continue to receive payments until a combined total of 60 payments have been made.

- ***120 Month (10 year) Guarantee*** – You receive monthly pension payments for as long as you live, with the guarantee that if you die before receiving 120 payments, your beneficiary or estate will continue to receive payments until a combined total of 120 payments have been made.

- ***180 Month (15 year) Guarantee*** – This form of payment generally works the same as the 60 and 120 month guaranteed forms of payment, except that payments are guaranteed for the lesser of:

  — 180 equal monthly payments, or

  — the period from your retirement date to the day before your 86th birthday.

- ***Joint and Survivor Options*** [Note: these options are only for participants with spouses on their retirement date]. You receive reduced monthly payments during your life. When you die your spouse receives 75% or 100% (depending on which option you select) of that reduced amount for the remainder of their life, if he or she survives you. If your spouse dies while you are alive, your monthly payment is restored to the level it would have been had you not had a spouse on your retirement date.

Electing a Form of Payment

You may elect an optional form of payment when you file your pension application with the Fund Office. Your pension application should be filed at least a month before your intended retirement date. You can get an estimate of your benefit amount under the different payment options before you make this election by contacting the Fund Office no more than three (3) months before your intended retirement date.

Don't forget: Pension payments don't start automatically. You need to file a pension application at least a month before your intended retirement date. If required, your application must include a signed and completed "Spousal Waiver Form" or a "Statutory Declaration of Marital Status" form. This second form is a Statutory Declaration and must be sworn before a Commissioner for Oaths or a Notary Public. Note that a false statement in a Statutory Declaration is a criminal offense.

***Supporting proofs and forms*.** When you file your application, you will be asked to provide proof of age for yourself and your spouse, if applicable. In addition:

- If you do not have a spouse, you must include a signed "Statutory Declaration of Marital Status" with your application.

- If you previously had a spouse but had a marital breakdown prior to retirement, your spouse may be entitled to receive a portion of your pension. For more details, refer to the section called "Changes in Family Status" on page 42.

- If you have a spouse and choose to have your benefit paid as anything other than the normal 60% joint and survivor annuity with your spouse as your joint annuitant, then you must submit a "Spousal Waiver Form" that has been signed by your spouse before a witness, outside of your presence. This form cannot be signed more than 90 days before the pension begins. This form is not required if you choose one of the 75% or 100% joint and survivor forms of payment as these options provide your spouse with more than the minimum level of spousal protection required by law.

When payments start.

- Normal pension payments typically start the month after you reach age 65 or, if later, the month following the date your application was received by the Fund Office.

- An early pension normally starts the month after your application is received. You may also choose to have payments begin at a later date.

- A deferred pension follows the same commencement rules as normal and early pensions, depending on when you apply for your payments to begin.

- Disability payments for actively employed participants are payable for the month following the month in which you became totally and permanent disabled, but no sooner than 12 months prior to the month in which your application is received.

- Disability payments for participants entitled to a deferred pension are payable for the month following the month in which you became terminally ill, but no sooner than the month in which your application is received.

In no event may payment of your pension begin later than December of the year during which you attain age 71.

In order to control plan costs and ensure payments are not disrupted, you must receive your monthly pension payments via direct electronic deposit into your bank account.

***Lump sum payout of small benefits*.** In the case of certain benefits that have a small lump sum "commuted value", the Plan will automatically pay the benefit in one lump sum, which you (or your spouse or beneficiary, in the case of survivor benefits) can receive as cash (with the applicable tax deducted) or can transfer to one of the retirement plans or accounts authorized for such transfers under the portability option described in the section called "Leaving Work" (refer to page 11 for more details). "Commuted value" means the current lump sum value of a future monthly benefit. The actual rules vary by province and details can be provided by the Fund Office on request.

In addition to the mandatory cashout rule described above, the provincial laws of Alberta, British Columbia and Saskatchewan permit voluntary cashouts (elected either by the participant or a surviving spouse) in certain circumstances when a "small" benefit becomes payable from the Plan. Here again the actual rules vary by province and details can be provided by the Fund Office on request.

Comparing Payment Options

When Tom retires, he is entitled to a pension of $1,000.00 monthly. If Tom does not have a spouse, he will normally receive this amount for as long as he lives, with the guarantee that if he dies within 120 months after payments start, payments will continue to his beneficiary for the balance of the 120-month period. He may instead elect an optional form of payment.

Assume that Tom is married, he is 62 and that his spouse, Anne, is 60. The example below shows how much Tom and Anne would each receive under the various payment arrangements.

Form of Payment	Tom's Payment While Tom and Anne are Both Alive	Anne's Payment if Tom is Deceased and Anne is Alive	Tom's Payment if Tom is Alive and Anne is Deceased
Life Annuity	$1,033.00 for life	$0	$1,033.00 for life
60 Month Guarantee	$1,025.00 for life	$1,025.00 for the balance of the guaranteed period if Tom dies before receiving 60 monthly payments.	$1,025.00 for life
120 Month Guarantee	$1,000.00 for life	$1,000.00 for the balance of the guaranteed period if Tom dies before receiving 120 monthly payments.	$1,000.00 for life
180 Month Guarantee	$964.00 for life	$964.00 for the balance of the guaranteed period if Tom dies before receiving 180 monthly payments.	$964.00 for life
60% Joint & Survivor (Tom's normal form of payment)	$926.00 for life	$556.00 for life	$1,000.00 for life
75% Joint & Survivor	$902.00 for life	$677.00 for life	$1,000.00 for life
100% Joint & Survivor	$864.00 for life	$864.00 for life	$1,000.00 for life

Here are some important things to remember about payment options:

Once you elect a form of payment, you may change it at any time before you receive your third pension payment, as long as there have been no changes in your personal circumstances (for example, marriage or divorce). After that, no changes can be made, even if you marry.

If you choose a pension guaranteed for 60, 120 or 180 months and your beneficiary dies before you, you should select a new beneficiary. In the event you die without a valid beneficiary designation, all amounts due upon your death will be paid to your estate.

If you have a spouse and elect a form of payment other than a 60%, 75% or 100% joint and survivor annuity, your spouse must consent to your election.

Your Spouse

The definition of "spouse" that applies to you depends on whether you employed in British Columbia, Alberta or Saskatchewan.

If you are a British Columbia employee, "spouse" means:

- a person to whom you are married and who has not been living separate and apart from you for more than two years, or
- if no person meets the definition above, a person who has lived with you in a marriage-like relationship for at least two years.

If you are an Alberta employee, "spouse" means:

- a person to whom you are married and who has not been living separate and apart from you for three or more continuous years, or
- if no person meets the definition above, a person who has lived with you in a conjugal relationship for at least three years or of some permanence if there is a child of the relationship by birth or adoption.

If you are a Saskatchewan employee, "spouse" means:

- the person to whom you are married, or
- if you are not married, a person with whom you have been cohabiting as spouses for at least one continuous year.

Preparing for Retirement

It is never too early to start planning for retirement. While deciding what you want to do when you retire is often easy, figuring out where the money will come from to pay for it can be more difficult.

For most people, retirement income generally comes from three sources: pension benefits, personal savings and government benefits.

Pension Benefits

This booklet explains how pensions are calculated under our Plan and has provided several examples of benefit calculations. If you would like more help in estimating your own benefit, contact the Fund Office.

Personal Savings

Personal savings include your personal savings and investments, as well as amounts you may have in RRSPs and TFSAs.

Government Benefits

You may be eligible for payments from two government programs: the Canada Pension Plan (CPP) and Old Age Security (OAS).

You become eligible to receive full CPP benefits at age 65, but you may choose to receive a reduced benefit as early as age 60. OAS currently begins at age 65, but the starting date is scheduled to increase to age 67 gradually in the future. You must apply for these benefits at least six months before you expect to receive them.

If you have access to the internet, you should be aware that the Employment and Social Development Canada website (http://www.hrsdc.gc.ca) has extensive information on these government programs and the benefits payable under them. This site also has links to other useful websites on a variety of topics of interest to people planning for retirement, including retirement, health and financial planning.

V SAVINGS ACCOUNT OPTION AFTER RETIREMENT

Returning to Work After Retirement

If you return to work in Covered Employment for a contributing employer who will be making contributions to the Plan on your behalf after your pension starts, you will continue to receive your pension while you are working and your pension will not be affected in any way by your return to work.

If you are younger than age 71**,** the additional contributions will be notionally allocated to a Savings Account in your name. Those contributions will be invested with the remainder of the Plan's assets and will be credited with the net rate of return earned by the Plan. At some point in time, your Savings Account balance must be transferred from the Plan to a locked-in retirement account (LIRA) in your name.

You are permitted to transfer out your Savings Account at any time, but due to *Income Tax Act* rules, you are required to transfer out the balance no later than the end of the year in which you attain 71 years of age. There is a limit of one transfer per calendar year and an administrative fee will be charged for each transfer except for the final transfer at age 71.

Pension Contribution Reallocation for Pensioners

Some collective agreements now provide pensioners with an option to reallocate pension contributions into their wage rates if they return to work in Covered Employment after age 62. In situations where a pensioner selects the wage option (provided he/she is eligible under his/her collective bargaining agreement to do so), the pensioner's monthly pension will continue to be paid and no contributions will be credited to the pensioner's Savings Account.

Note that this is NOT a Plan option under the control of the Board of Trustees, but one that is provided as part of some collective agreements. This description has solely been included for informational purposes. If you have any questions regarding this option, you should contact your Local Union representative.

VI IF YOU BECOME DISABLED

If You Become Disabled

You may be entitled to disability benefits if you become “totally and permanently disabled” while an active Plan participant, or if you become “terminally ill” after ending active Plan participation.

Disability Pension on Account of Total and Permanent Disability

You are entitled to this benefit if you are an active participant and:

- you become totally and permanently disabled, and
- you are not yet eligible to retire on a normal pension.

Definition of Total and Permanent Disability. You will be considered totally and permanently disabled if the Trustees determine, on the basis of written certification from a medical doctor who is licensed to practice in the province where you live that**:**

- 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.

When you apply for a disability pension, the Trustees may require that you be examined by a medical doctor or doctors they have selected. In addition, if you are approved for a disability pension, the Trustees may require periodic medical re-examinations.

The Income Tax Act only permits the payment of disability pensions where the individual’s disability is total and permanent. This standard may be higher than that applied by other disability income programs. For that reason, it is possible that you may qualify for disability benefits from another program (e.g., the Workers’ Compensation Board) and not qualify for a disability pension from this Plan.

Calculation of a disability pension. Your disability pension is calculated under the same formula as a normal pension, based on service you had earned up to the time of your disability. There is no reduction for payments made before age 65.

If you recover**.** Your disability pension will end if you become able to engage in any gainful occupation for which you are reasonably qualified by reason of education, training or experience. If you are eligible for a normal, early or deferred pension, you may apply for one of those benefits in accordance with the Plan rules.

Former Participant Disability Pension on Account of Terminal Illness

You are entitled to this benefit if, after your Plan participation ends:

- you were entitled to a deferred pension, and
- you become terminally ill, and
- you are not yet eligible to retire with a normal pension.

***Definition of Terminally Ill*.** You will be considered terminally ill if the Trustees determine, on the basis of written certification from a doctor licensed to practice in the province where you live that:

- illness and/or injury prevents you from engaging in any gainful occupation, and
- your life expectancy is considerably shortened due to the illness and/or injury, and you have a life expectancy of two years or less from the date of disability.

The Trustees will require examination by a medical doctor or doctors, who must attest to your shortened life expectancy. If you are approved for a disability pension, the Trustees may require periodic reexamination.

***Calculation of a disability pension*.** The disability pension paid on account of terminal illness is calculated in the same way as a deferred pension, based on the service you had earned up to the time of your termination of participation. This benefit is not reduced on account of payments made before age 65.

How Disability Pensions Are Paid

***If you do not have a spouse*.** If you do not have a spouse, you receive the full amount produced by the Plan formula. If you die before receiving the equivalent of 60 payments, your beneficiary or estate continues to receive payments until the equivalent combined total of 60 payments have been made.

***If you have a spouse*.** If you have a spouse, your benefit is normally paid as a 60% "joint and survivor" pension. Under this arrangement, the monthly amount calculated under the Plan formula is reduced to provide continuing payments to your spouse after your death. (The amount of reduction depends on the ages of you and your spouse when payments begin).

If your spouse survives you, he or she will receive 60% of your reduced pension for life.

If you do not want to have your pension paid this way, you may, with your spouse's written consent, elect to have your pension paid under the form for a participant who does not have a spouse (guaranteed for 60 months).

Your "spouse" is defined under the laws of the province in which you are employed (refer to page 30 for details). For more information on pension payments, see the section of this booklet called "How Your Benefit is Paid" on page 24.

VII IN THE EVENT OF DEATH

In the Event of Death

If You Die Before Retirement

The Plan also pays benefits in the event of your death while an active participant. If you have a spouse, the Plan pays a monthly pension. If you do not have a spouse, your beneficiary or estate will receive a lump sum cash payment.

If You Have a Spouse

***Death after earning five years of Pension Credit while an active participant*.** If you had attained age 55, had at least five years of Pension Credit, and had not incurred a Break in Service at the time of your death, your spouse's pension will be calculated under the Plan formula based on your service on the date you died. It will be calculated as though you had retired on the date of your death and elected the 100% joint and survivor option.

Monthly payments to your spouse will continue for the remainder of your spouse's life. However, he or she may instead elect to have the lump sum commuted value of the pension transferred to another pension plan or a Registered Retirement Savings Plan under the portability option described in the section called "Leaving Work". To exercise one of these options, your spouse must notify the Fund Office within 90 days of receipt of the statements provided to your spouse following your death.

"Commuted Value" means the current lump sum value of the benefit.

Your spouse may sign a waiver and waive his or her right to the monthly spousal pension. In this situation, the death benefit will be calculated as though you did not have a spouse at your date of death and the commuted value of the death benefit will be payable to your named beneficiary.

***Special provincial rules*.** Note that under Alberta law, if the spouse dies before electing the form of payment, a lump sum payment equal to the commuted value of the normal pension payable to you at age 65 will be made to the spouse's named beneficiary or to his or her estate. Spouses subject to Saskatchewan law may also elect to receive any commuted value payment in cash.

***Death prior to age 55 or before earning five years of Pension Credit or after a Break in Service*.** If you die prior to attaining age 55 or before earning five years of Pension Credit, or after your active participation ends, your spouse will be entitled to a monthly annuity equal to the amount that would be provided by the commuted value of:

- Your normal pension (in the event of your death while an active Plan participant), or
- Your deferred pension (in the event of your death after termination of active Plan participation but before you start receiving your pension).

If your spouse does not want monthly annuity payments, he or she may instead elect a transfer of the commuted lump sum value of the benefit under the portability option described earlier. The special provincial rules described above also apply to this benefit.

If You Do Not Have a Spouse

If you do not have a spouse (or your spouse has waived their right to any pre-retirement death benefits) and die while an active participant or after your participation ends but before collecting your benefit, your beneficiary will receive a lump sum cash payment equal to the commuted value of:

- Your normal pension (in the event of your death while an active Plan participant), or
- Your deferred pension (in the event of your death after termination of active Plan participation but before you start receiving your pension).

If you have not named a beneficiary or if your beneficiary dies before you, this death benefit will be paid to your estate.

You may name any person or persons you choose as your beneficiary and you may change your beneficiary designation at any time. Note however that if you are subject to the pension law of Alberta, if you have an eligible spouse at the time of your death who has not signed a waiver, then this spouse is entitled to receive the death benefits payable from the Plan regardless of who you may have named as the beneficiary(ies). To elect or change your beneficiary designation, you must file a completed and signed designation form with the Fund Office.

If You Die After Retirement

If you die after your pension begins, your eligible spouse or beneficiary may receive a benefit, depending on the form of payment you elected at retirement. The different forms of payment are described in the section called "How Your Benefit is Paid" on page 24.

If Your Spouse Dies

If your spouse dies before or after your pension begins, you should contact the Fund Office to update your records. If you have already started receiving your pension and your spouse dies, depending on the form of pension elected at the time you retired, there may or may not be a change in the benefit amount you will receive after your spouse's death.

VIII CHANGES IN FAMILY STATUS

Changes in Family Status

This section discusses some of the ways your Plan benefit may be affected by marriage, divorce or the beginning or ending of another relationship recognized under provincial law.

Family Changes. When a change in family status occurs – whether it is a marriage, a divorce, a death or the birth of a child – it's a good idea to think about the effect of that event under all your benefits – not just this Plan – and any beneficiary designations and coverage elections you may have made. Contact the Fund Office if you have any questions about the effect of these events under the plans.

The information provided in this section is only meant to be a general guide due to the complexities involved. In situations of divorce, separation, annulment, or dissolution of any relationship where your partner met the definition of spouse under the governing legislation, you are advised to consult a lawyer with experience in family law matters. Additional information can also be found at the following websites:

British Columbia	**www.fic.gov.bc.ca/index.aspx?p=pension_plans/index**
Alberta	**www.finance.alberta.ca/business/pensions/index.html**
Saskatchewan	**www.fcaa.gov.sk.ca/Division-of-Pension-Benefits-on-Breakdown-of-a-Spousal-Relationship**

Marriage

Generally, if you are married (that is, you have a "spouse", as defined under provincial law) when you retire, your pension is paid in the form of a "joint and survivor" pension (unless, with your spouse's written consent, you elect an optional form of payment). This is described in more detail in the section called "How Your Benefit is Paid" on page 24. If you die before your pension starts, your spouse may be eligible to receive the death benefit described in the section called "If You Die Before Retirement" on page 39.

If your spouse dies before your pension starts, your benefit will be paid under the normal form for participants who do not have a spouse. However, if your spouse dies and you commence another spousal relationship before your pension starts, and that person satisfies the definition of "spouse" under applicable law, then the normal joint and survivor rules will apply when you retire.

Keep in mind that a beneficiary designation made before you marry (or otherwise acquire a spouse recognized under applicable law) is no longer effective when you acquire a spouse, unless you satisfy the spousal consent rules. The rules governing spouse benefits always take precedence over any beneficiary designation made without spousal consent.

Your pension is not affected when you marry after your pension has begun. It is not affected because once you start to receive a benefit, you cannot change the form of payment.

Divorce

***Before retirement*.** If you divorce (or your spouse no longer meets the definition of spouse) before your pension begins, that individual will no longer be entitled to any pre- or post-retirement survivor benefits, and you may name a beneficiary to receive any benefits payable under the Plan upon your death. However, your former spouse may be awarded a portion of your benefits under the provincial laws governing the division of property upon marriage breakdown.

***After Retirement*.** If you are married when you retire, but later divorce, and your benefit is being paid as a joint and survivor pension, your former spouse will likely still be entitled to survivor benefits under that form of payment. In addition, a matrimonial property order may affect your benefit by giving all or a part of your benefit to your spouse, former spouse or dependents.

If you have a divorce, separation, annulment, or dissolution of any relationship where your partner met the definition of spouse under the governing legislation, your Plan benefit may be subject to division under provincial matrimonial property laws.

The determination of the applicable laws can depend on the province where you were employed, where you and your spouse or former spouse reside at the time of the marital breakdown, or other factors such as the length of the relationship.

To be sure of the laws applicable to you, you should consult a lawyer with experience in family law matters. In general, though, depending on the laws applicable to you, your former spouse may be entitled to receive a lump sum benefit equal to a portion of your Plan benefit or a portion of the monthly payments you receive once you start collecting your pension. In either case, the benefit you receive at retirement will be less than it otherwise would have been.

In all cases, the proper legal documentation must be submitted to the Plan before any division of benefits is made.
Note that the Plan charges a fee (as provided for under the legislation) to calculate the benefits payable in the event of a marital relationship breakdown.

The governing legislation sets forth very specific rules that are to be followed when a pension entitlement is being split between a plan participant and their spouse or former spouse. These rules determine what share of the total pension can be awarded to the spouse and under what conditions. These rules do not attempt to pronounce what share of the total value of the pension entitlement should appropriately be provided to the spouse or how it should best be shared. In other words, simply following the rules does not ensure a fair outcome for all parties. If you are a party to a splitting of a pension entitlement, you may want to obtain independent legal and/or actuarial advice on the matter.

Please note that the Plan and Fund Office will comply with all properly drafted separation agreements and court orders (or other similar legal documents required under the legislation), but they cannot and will not provide any opinions or advice in determining how a fair split should be effected between the parties. Also note that the Plan charges a fee directly to the member and spouse in order to process any pension split.

IX OTHER THINGS YOU SHOULD KNOW

Other Things You Should Know

Reciprocal Agreements

If you have earned service credit under a "related plan", your combined service credit under both plans may be used to determine your eligibility for a pension from this Plan (it will also be used to prevent a Break in Service under this Plan, if necessary). However, the amount of the benefit you receive from this Plan will be based on service earned and contributions made under this Plan.

> "Related plan" means another plan that has signed the Canada-wide Reciprocal Agreement for Laborers' Pension Funds in Canada and who has adopted reciprocal pension provisions similar to those our Plan has adopted.

The current list of related plans is as follows:

- The Laborers' Pension Fund of Central and Eastern Canada
- The BC Laborers' Pension Plan

To ensure you enjoy the advantages offered under the reciprocal agreements, you should notify the Fund Office when you move to work under the jurisdiction of another Local whose members do not participate in this Plan. You must also notify each fund you have worked under when you apply for a pension.

Assignment of Benefits

Benefits under the Plan are for your benefit only. They cannot be sold, transferred, assigned or pledged to anyone; nor are benefits subject in any manner to anticipation, alienation, encumbrance or charge. However, the Plan will comply with a court order in connection with a family law proceeding that gives someone else (e.g., a former spouse or a child) a right to a portion of your pension.

Plan Amendment or Termination

The Board of Trustees intends to continue the Plan indefinitely, but has the right to amend or end it at any time. A Plan termination would not affect your right to any benefit to which you were already entitled, as long as there were funds available to pay the benefit.

In the event of a termination, Plan assets would first be used to pay administrative expenses. The remaining assets would then be paid to Plan participants to provide benefits that were fully funded and then to provide benefits that were not fully funded. If there were any surplus assets left after paying all benefits, they would be distributed proportionately to provide increased benefits for all participants.

Discretionary Authority of the Board of Trustees

The Trustees have the sole power and authority to construe and interpret the terms of the Plan, and to decide all matters in connection with the operation and administration of the Plan. No one else has any authority to interpret the Plan (or other applicable documents) or make any promises to you about it, including any claims for benefits.

X ADMINISTRATIVE FACTS

Administrative Facts

Fund Office Contact Information

You can contact the Fund Office as follows:

Ellement Consulting Group
10154 108 Street NW
Edmonton, AB T5J 1L3
(780) 453-2303
1-800-661-7369 (Canada and U.S.)

www.ellement.ca

Please visit the website to download forms or a copy of this booklet, or view recent announcements and newsletters.

Address Changes

Over time, there will be many instances where we need to communicate very important information such as plan changes, annual pension estimates and options on termination of participation. It is therefore very important that you keep the Fund Office apprised of your current address. Please contact the Fund Office to advise of any address changes.