Manitoba Multiple Trades

pension trust fund

JUNE 2012

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 Manitoba Multiple Trades Pension Trust Fund and any governmental regulations govern all rights and obligations with respect to the plan. Any information provided in this booklet may be subject to change if amendments are made to the plan or to pension legislation. If there are any misunderstandings regarding plan provisions, the terms of the plan document and the applicable legislation will apply.

Plan registration numbers

Provincial – Federal 0396762

Provincially registered as a multi-unit pension plan (MUPP)

Federally registered as a specified multi-employer pension plan (SMEPP)

Manitoba Multiple Trades Pension Trust Fund

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Summary of the provisions of the plan

Purpose

Q. What is the purpose of the pension plan?

A. The primary purpose of the pension plan is to provide retirement benefits to union members and other participants on their retirement. As well, the plan provides benefits on the termination of plan membership or the death of a member prior to retirement.

Effective date

Q. When did the plan become effective?

A. The Manitoba Multiple Trades Pension Trust Fund became effective October 1, 1975.

Eligibility

Q. Who is eligible?

A. If you are a member of the Manitoba Multiple Trades Pension Trust Fund and contributions are being made to the pension trust fund in accordance with the terms of the current collective agreement, you are automatically a member of the plan.

Enrolment/beneficiary designation

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

A. You must complete an enrolment card and submit it to the plan administrator. Cards are available from the union and the plan administrator's offices. Completing an *Application for group coverage* when you first enrol and a change form every time there is a change in your personal information, marital status or beneficiary designation will ensure that your file is handled properly. If you have a change in address, please call the plan administrator and provide an updated mailing address.

Participation

Q. Is participation in the plan mandatory?

A. Yes. As a condition of employment, all eligible union members are members of the pension plan.

Contributions

Q. How is the plan funded?

A. It is funded by employer and member contributions, based on an amount per hour for each hour worked, as provided by the most current collective agreement between each local union and their respective employers.

Q. Can I make voluntary contributions?

A. Yes. You may elect to increase your retirement benefits by making additional voluntary contributions, provided they conform to the Income Tax Act. Voluntary contributions can only be withdrawn upon termination or retirement. The minimum amount allowed is $100 per deposit.

Q. Will I receive a tax deduction for contributions made to this plan?

A. Any member contributions are tax deductible; however, employer contributions are not, as they are not included in your "taxable" or "gross" income. Therefore, you only receive a tax deduction for any member contributions.

Q. How do I know how much I can contribute to my registered retirement savings plan (RRSP) if I participate in the plan?

A. The Canada Revenue Agency (CRA) issues each taxpayer a notice of assessment special notice indicating his/her RRSP contribution limit for the taxation year.

Both employer and member contributions are used to calculate your pension adjustment (PA) amount. This amount is used by the Canada Revenue Agency to determine your RRSP contribution limit.

Canada Revenue Agency (CRA) determines your annual RRSP contribution room using a set formula. Each year's RRSP contribution room is determined by your previous year's earned income and earned pension benefits, calculated as follows:

18 per cent of your previous year's earned income, up to $22,970 for 2012 (CRA maximum),* less

your pension adjustment (PA) amount for the pension plan as reported on your previous year's T4 slip.**

* *The CRA has established the maximum in 2013 will be $23,820. It will be adjusted annually.*

** *Your PA is the value the CRA assigns to your participation in a registered pension plan. The formula used to calculate your PA under this pension plan is: PA = your employers' contributions plus your member contributions, if any.*

RRSP contribution room example:

Assume you earned $50,000 in 2011 and had $5,000 contributed on your behalf to the pension plan in 2011.

RRSP contribution maximum for 2011:

RRSP maximum:	$50,000 x 18% = $9,000
PA:	$5,000
RRSP contribution room:	$9,000 - $5,000 = $4,000

Q. Can I carry forward unused RRSP contribution room?

A. Yes, although the government has frozen the maximum at $22,970 for 2012. You are permitted to carry forward any unused RRSP contribution room you may have accumulated from previous years.

Vesting

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

A. Yes. The plan provides for full and immediate entitlement of all required employer and member contributions and any additional voluntary contributions. All contributions made on your behalf must be used to provide a retirement income.

Credited interest or investment earnings (losses)

Q. What kind of interest or investment earnings (losses) are credited on my account balance?

A. Your account is credited with interest annually. The interest rate applied to your account is equal to the net rate of return attributed to the pension fund for that period, whether it is positive or negative.

To determine the rate of investment earnings or losses to be credited on an interim basis for termination benefits, death benefits and retirement benefits payable during the plan year, the administrator will determine the interim rate based on the actual net rate of return earned each month by the fund after allowing for applicable expenses.

Locking-in

Q. When do the required contributions become "locked-in" under the legislation?

A. All required contributions that have been made by the employer and member become locked-in immediately. Locked-in means when a member terminates or retires from the pension plan, the pension funds must be used to provide for retirement income. The locking-in provision also applies to investment earnings accumulated in your personal account.

Unlocking locked-in funds

In accordance with provincial pension legislation, you may unlock your pension funds at termination or retirement if your total account balance is less than 20 per cent of the year's maximum pensionable earnings (YMPE). In 2012, this amounts to $10,020 ($50,100 x 20 per cent).

In the event that you suffer from a mental or physical disability that is likely to shorten your life expectancy to less than two years, as certified by a medical physician, you may apply to unlock your pension funds. Application must be filed with the plan administrator and, if applicable, a spousal waiver may be required.

If you are no longer a resident of Canada, you may, upon written request along with confirmation from the Canada Revenue Agency that you are a non-resident for the purposes of the Income Tax Act, apply to the plan administrator to unlock your funds. A spousal waiver, if applicable, may be required.

Benefits on termination

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

A. Termination of membership in the plan is permitted once your membership in the union ends, as verified by the union, or there has been a continuous period of at least 24 months in which no contributions have been received on your behalf.

Q. If I terminate my membership in the plan, may I leave the accumulated contributions and investment earnings in the plan until retirement?

A. Yes, upon termination of membership, you may leave your accumulated pension benefit in the plan until you are ready to retire or transfer the funds to another locked-in plan.

Q. What are my options on termination?

A. On termination of membership, you are entitled to transfer your accumulated contributions and interest to either:

a) another registered pension plan, if the administrator of the other pension plan agrees to accept the payment; or

b) a locked-in retirement account (LIRA).

Q. How do I go about making application for a termination of membership of funds from the plan?

A. To apply for termination of benefits, contact the plan administrator and request a termination package. The plan administrator will send you the appropriate forms for completion and will at your request, provide any data you may require to select the appropriate pension option. After the plan administrator has received your completed application form, applicable documents and all contributions, it will take between four to six weeks to complete and make the appropriate payment.

Retirement dates

Q. What is the normal retirement age?

A. A member's or former member's normal retirement age, being the date on which the member or former member has the right to retire and receive a pension shall be the first day of the month coinciding with or immediately following the member's or former member's attainment of normal retirement age. Currently, the normal retirement age is 65.

Q. What is the early retirement age?

A. You may retire on the first day of any month following or coincident with your attainment of age 55.

Q. What if I am totally and permanently disabled prior to my early retirement date?

A. At the member's or former member's request, a member's or former member's disability retirement date can be the first day of any month after being deemed totally and permanently disabled, as defined in Regulation 8500(1) of the Income Tax Act, such that the member or former member is totally unable, as a result of injury or disease, to engage in or perform the duties of any occupation and such disability will continue for the remainder of his/her life. The member or former member is also vested and locked-in.

Q. May I postpone my retirement date beyond age 65?

A. Yes, the Canada Revenue Agency requires that all pensions commence payment by the end of the year in which you attain age 71. In the event that you make application for your pension after your normal retirement date, your pension will not commence retroactively.

Q. What happens if I return to work after retirement?

A. If, after retirement, you return to work for a participating employer, you will be considered a new member of the plan. Your new account will be subject to the same provisions regarding locking-in and portability on termination of employment or death that apply to non-retired members.

Retirement

Q. How do I apply for my pension?

A. Once you have decided on a retirement date, you should notify the administrator at least two months in advance and request a retirement package. The administrator will send you the appropriate forms for completion and provide any data you may require to select the appropriate pension option.

Q. Must I submit proof of age?

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 that depends on the survivorship of your spouse or common-law partner, you are required to furnish proof of age of your spouse or common-law partner.

Q. What is the definition of a common-law partner?

A. "Common-law partner" or "partner" of a member or former member means:

(a) a person who, with the member or former member, registered a common-law relationship under Section 13.1 of the Vital Statistics Act, or

(b) a person who, not being married to the member or former member, co-habited with the member or former member in a conjugal relationship

- i) for a period of at least three years, if either of them is married; or

ii) for a period of at least one year, if neither of them is married.

Q. Is income from my retirement benefit taxable?

A. Yes, the all income received from your retirement benefit is taxable.

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. The administrator has an individual financial consultant on staff that is available to assist you. Spouses or common-law partners are encouraged to attend the retirement counselling session.

Retirement benefits

Q. What types of retirement benefits are available?

A. Life annuity, life income fund, variable benefit and one-time transfer to a prescribed RRIF.

1. Life annuity

Under this form of payment, you will receive a monthly income for as long as you live. At the time of your retirement, we will use your account balance to purchase an annuity from the insurance industry at the highest rate.

Types of annuities

Single life with no guarantee period

The monthly income will cease upon your death and no death benefits will be payable to a spouse, common-law partner, beneficiary or estate. This type of pension may suit you if you are single and have no dependants.

Single life annuity with a minimum guarantee period

Should you die before a specified number of payments have been made (usually 5, 10 or 15 years), the balance of the payments will continue to your designated beneficiary or estate. As there is a guarantee that payments will be made for a specified period, the amount of pension income you would receive under this option is less than the single life annuity only option.

Example:

If you choose a single life annuity with a 15-year guarantee, you will receive a monthly payment as long as you live, with the provision that if you die before receiving 180 monthly payments, your designated beneficiary or estate will continue to receive the balance of your monthly payments until a total of 180 payments have been made.

Joint and last survivor annuity

Should you pre-decease the joint annuitant (which must be your spouse or common-law partner), payments will continue to your spouse or common-law partner at the chosen percentage for their lifetime. Payments cease when both you and your spouse or common-law partner are deceased. Your plan will offer a variety of survivor benefits; however, those typically allowed are 60 per cent, 66 2/3 per cent, or 100 per cent of the amount payable immediately prior to your death.

Joint and last survivor annuity with a guaranteed payment period

Should you pre-decease the joint annuitant (which must be your spouse or common-law partner) the payments will continue to your spouse or common-law partner 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 the spouse or common-law partner's lifetime. Payments cease when both you and your spouse or common-law partner are deceased.

In the event that both you and your spouse or common-law partner die within the guarantee period, the payments will continue at the full amount to your designated beneficiary or estate until the end of the chosen guarantee period. Since there is a provision for payments to continue to a joint survivor for life, the amount of pension income you would receive is less than the single life annuity with or without guarantee periods option. This type of annuity often helps couples with their retirement planning.

Your spouse or common-law partner (if applicable) must sign a prescribed consent form waiving their entitlement if the form of annuity chosen provides a survivor benefit of less than 60 per cent of the amount payable immediately prior to your death.

2. Life income fund

A life income fund (LIF) is a retirement income option for locked-in pension money. At the beginning of the year, you will determine the amount to be paid during the year, subject to certain minimum and maximum withdrawal rules based on the Income Tax Act and your age.

You are responsible for the management of your pension funds that are transferred to a financial institution licensed to provide life income funds (LIFs). Your investment of these assets should take into effect your income needs and risk tolerance.

Your spouse or common-law partner (if applicable) must sign a prescribed consent form waiving their entitlement to your pension before you make the transfer to a LIF.

3. Variable benefit

You can maintain your pension benefit account in the pension plan and have a benefit paid out as a LIF payment. Your account will continue to earn the same gross rate of return as the pension trust fund. The variable benefit net rate of return will vary nominally from the pension trust fund rate of return due to additional administrative expenses. Required minimum withdrawals (based on Income Tax Regulations) must begin in the calendar year that the member reaches age 72.

Your spouse or common-law partner (if applicable) must sign a prescribed consent form waiving their entitlement to your pension before you may take a payment from the variable benefit.

4. One-time transfer to a prescribed RRIF

In conjunction with the purchase of an annuity, or transfer to a LIF or variable benefit, any member who is at least age 55 may apply for a one-time transfer (prescribed transfer) of an amount up to 50 per cent of the balance of all Manitoba-based locked-in funds to a prescribed registered retirement income fund (RRIF) that is not locked in. The prescribed RRIF must meet the requirements of the regulation of a prescribed RRIF.

A prescribed RRIF still requires a minimum annual withdrawal, based on the Income Tax Act and your age or your spouse's or partner's age (if applicable); however, it is not subject to an annual maximum withdrawal. Within a prescribed RRIF, you will continue to be responsible for the management of your funds.

The maximum amount available for a prescribed transfer may be affected by amounts payable to a former or common-law partner as a result of a marriage/common-law relationship breakdown, or orders issued by the Maintenance Enforcement Program of the Department of Justice. A prescribed transfer cannot be made by an applicant unless the applicant's spouse or common-law partner consents in writing by completing the approved form.

For more information, please contact our office or the financial institution providing the LIF/prescribed RRIF contract.

Spousal consent

A LIF or variable benefit transfer is subject to the written consent of your spouse or common-law partner. When the pension assets are transferred to a LIF or variable benefit, the spousal survivor rights with respect to the assets are also transferred.

Q. Does this pension affect my entitlement to CPP or OAS benefits?

A. No. The pension you earn under the Manitoba Multiple Trades Pension Trust Fund is payable in addition to the Canada Pension Plan and Old Age Security benefits.

Government programs

As of January 2012, the maximum benefits available at age 65 are:

1. Canada Pension Plan (CPP); $986.67/month; or
2. Old Age Security (OAS); $540.12/month.

You may receive the CPP as early as age 60, but your CPP benefit amount will be reduced. Conversely, you may also delay receiving CPP benefits, subject to a benefit increase, however, no later than age 70. Old Age Security benefits cannot be received earlier than age 65. Effective January 1, 2013, you may also delay OAS benefits, subject to a benefit increase, however, no later than age 70. If your eligibility for OAS is effective 2023 or later, OAS benefits will not commence until age 67. For additional information regarding government programs call Service Canada toll free at 1-800-277-9914 or visit www.servicecanada.gc.ca.

Death benefits

Q. When I die, will someone else receive my pension?

A. Yes. It is very important that you designate a beneficiary so that, in the event of your death, your pension benefits are distributed according to your wishes. If you are legally married or have a common-law partner, he/she is automatically designated as your beneficiary under provincial legislation. Your surviving spouse or common-law partner must be co-habiting with you immediately prior to your death and must provide satisfactory evidence of co-habitation to the plan administrator. The applicant must also provide a copy of the death certificate.

Q. What happens to my account balance if I die before retirement?

A. Upon the date of death of the member, the death benefit will be equal to the value of the member's pension benefit account balance with any applicable interest. The death benefit that is available will be payable as follows:

Members with a spouse or a common-law partner at date of death

As a life annuity, or it may be transferred to a life income fund (LIF), or transferred to a locked-in retirement account (LIRA) depending on the surviving spouse's or common-law partner's age.

The surviving spouse or common-law partner will be considered to have survived the member with whom he/she had the common-law relationship or marriage only if they were co-habiting with one another immediately before the death of the member. The spouse or common-law partner must provide evidence of co-habitation satisfactory to the plan administrator.

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

Members without a spouse or a common-law partner at date of death

As a lump-sum payment to the designated beneficiary or the estate of the member, subject to applicable withholding taxes.

Q. If I am married or in a common-law relationship, can I designate a beneficiary other than my spouse or common-law partner?

A. Yes. However, to do so, your spouse or common-law partner must complete a spousal waiver of pre-retirement death benefit where the spouse gives up all rights to a benefit on your death. These forms are available at the plan administrator's office and must be filed with the plan administrator prior to the member's date of death.

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

A. If you die after you have begun receiving a monthly pension, the amount of any further benefit will be determined by the form of annuity chosen at retirement.

If you have transferred your pension to a LIF or are receiving variable benefit payments directly from the pension plan, then the value of the LIF/variable benefit shall be paid to:

- the surviving spouse or common-law partner in the form of a lump-sum payment, subject to applicable withholding taxes, a registered retirement savings plan (RRSP), a registered retirement income fund (RRIF) or an annuity, unless previously waived; or
- where there is not a surviving spouse or common-law partner, to the designated beneficiary or estate of the purchaser as a lump-sum payment, subject to applicable withholding taxes.

Q. Are payments from the death benefit taxable?

A. Yes, the death benefit is taxable. If your surviving spouse or common-law partner wishes to defer the taxation, she/he may transfer it to a registered retirement savings plan. All other beneficiaries must take a lump-sum payment.

Credit splitting

Q. Is my spouse or common-law partner entitled to any portion of my pension on relationship breakdown?

A. On relationship breakdown, the member's or former member's pension benefit accumulated during the years of marriage or common-law relationship, must be divided in accordance with the Pension Benefits Act of Manitoba and regulations unless waived by both parties in the form and manner as prescribed in the regulations. The division is triggered if:

a. according to an order of the Court of Queen's Bench made under The Family Property Act, family assets of the member or former member or his or her spouse or common-law partner are to be divided;

b. according to a written agreement between the member or former member and his or her spouse or common-law partner, their family assets are divided; or

c. a division of pension or pension benefit credit, is required by an order of a court of competent jurisdiction in another province or territory of Canada, or an order of the Court of Queen Bench made under subsection 31(3.4) of the Pension Benefits Act of Manitoba.

The division of 50 per cent shall apply only in respect of that portion of the pension benefit that was accrued from the date that the marriage or common-law relationship commenced to the separation date. On relationship breakdown, the spouse's or common-law partner's entitlement of the benefits will be determined under the applicable legislation and must be transferred to another registered pension plan, a locked-in retirement account (LIRA) or to any other arrangement prescribed under the Pension Benefits Act of Manitoba and regulations.

Your designated pension plan beneficiary will not be automatically revoked or changed by any change in marital status. Should you wish to change your beneficiary, you will have to do so in writing by completing a change form.

Garnishment (maintenance enforcement)

Q. Can my pension be garnished?

A. In the event that a member fails to make the appropriate maintenance payments to a former spouse, common-law partner or child, in accordance with the Maintenance Enforcement Act, the pension benefits accumulated by the member may be garnished (including all costs associated with administration and applicable taxes) from the pension benefit account balance. The amount garnished cannot be greater than the total pension account balance. Upon receipt of a garnishment order, under the terms of the Maintenance Enforcement Act, the plan administrator must withdraw the requested funds. The member will be notified of such a withdrawal when the order from the Maintenance Enforcement Branch is received.

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. This provision is for your protection and is intended to ensure that you will receive a pension when you retire.

Rights to information

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

A. Each year, the plan administrator will forward a pension statement to your mailing address. It will outline the amount in your pension account, your 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 plan administrator should be notified immediately.

Q. What other sources of information on my personal account am I entitled to receive?

A. On termination, retirement, death, or relationship breakdown, each member, surviving spouse, or common-law partner, shall receive a written statement of his/her entitlements and options upon request.

Q. Who should be contacted for plan information?

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

The following information is available for review at the plan administrator's office. Copies are available to any member, subject to the payment of a reasonable fee to cover costs incurred:

i) the pension plan document and any amendments thereto;

ii) the trust agreement and any amendments thereto;

iii) the most recent annual information return filed by the trustees with the Pension Commission;

iv) the most recent annual financial statement; and

v) a list of the assets included in the financial statements.

Administration

Q. Who administers the plan?

A. The board of trustees of the Manitoba Multiple Trades Pension Trust Fund is responsible for the overall administration of the plan. Coughlin & Associates Ltd. has been retained to handle the record keeping and daily administration. Contact information can be found at the beginning of this booklet

Q. Can the plan be changed or discontinued?

A. The board of trustees expects to continue the plan indefinitely but reserves the right to amend, suspend or terminate the plan, either in whole or in part, at any time. Any change or modification in the plan will not affect the amount of pension benefits previously purchased from an insurer or transferred out of the plan. No change or modification shall adversely affect the benefits that have accrued to members of the plan prior to the amendment date.

In the event of discontinuance of the plan, the fund assets shall be disbursed to members in accordance with the plan rules based on the value of their interests in the fund. On plan termination, no part of the assets of the plan shall revert to the benefit of the employers or union. Any assets held to affect the plan termination will remain invested in accordance with government pension legislation. Any assets that remain after satisfaction of all liabilities under the plan will be distributed to members and other persons having an entitlement under the plan at the date of plan termination, subject to government pension legislation.

Notice regarding personal information

When you become a pension plan member, Coughlin & Associates Ltd., the plan administrator, sets up a file with personal information relevant to your pension funds under the plan.

The purpose of this file is to permit the plan administrator to administer all financial services provided to you and to keep information specific to their business relationship with you. This includes the following:

- financial reporting;
- internal and external audits;
- preparation of regulatory and statutory reports; and
- assisting you in planning for financial security.

The files are kept in the offices of Coughlin & Associates Ltd. and Coughlin's employees have access to these files when required.

You have certain rights of access and correction with respect to the information in your file. A request for access or correction must be placed in writing and should be sent to the office of:

Coughlin & Associates Ltd.
P.O. Box 764
Winnipeg, MB   R3C 2L4

Privacy

Effective January 1, 2004, the Federal Personal Information Protection and Electronic Documents Act (PIPEDA) governs the collection, use and disclosure of all personal data by all Canadian commercial organizations. Thus, every transaction involving the handling of personal data (collection, use, transfer, disclosure, storage, accessing, processing, etc.) has to be conducted in accordance with the Act.

Coughlin & Associates Ltd. is committed to respecting your right to privacy and safeguarding your personal information. For more information regarding Coughlin's privacy policy, please contact Coughlin & Associates Ltd. directly or via the website **www.coughlin.ca**.

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 union of any address changes.

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