



Quinte St. Lawrence Electrical Workers **PENSION TRUST FUND**



May 2006

Quinte St. Lawrence
Electrical Workers
PENSION TRUST FUND

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QUINTE ST. LAWRENCE ELECTRICAL WORKERS PENSION TRUST FUND

We are pleased to provide you with this booklet that briefly outlines the various benefits and conditions of the plan. We suggest you read it carefully so as to familiarize yourself with the pension benefits available to you and your dependants.

All administration and pension set-up takes place at the Quinte St. Lawrence trust fund office. Custodial services and annuity payments are processed by CIBC Mellon Custodial Services. Our pension consultant is Coughlin & Associates Ltd.

We hope the plan continues to contribute to the security and well-being of you and your family.

Your trustees

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AUDITORS

Secker, Ross & Perry Chartered Accountants

CUSTODIAN

CIBC Mellon Global Securities Services Company

PENSION/RETIREMENT FORMS

Available at the office or online at www.ibew.115.on.ca.

TO ALL ACTIVE PLAN MEMBERS

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

The plan was established May 1, 1974 through negotiations between the International Brotherhood of Electrical Workers' Local Union 115 and the Quinte St. Lawrence Electrical Contractors Association of Ontario and all employers. The plan is funded by employer contributions as defined by the Collective Agreement in effect between employers signatory to such agreements and the IBEW Local 115.

This booklet incorporates all the legislative requirements of the Financial Services Commission of Ontario and the Canada Revenue Agency, under which the plan is registered.

Please read this booklet carefully in order to fully understand what benefits you are entitled to under the plan. This booklet should be stored with your other important documents for future reference.

Fraternally yours,

The board of trustees

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SUMMARY OF BENEFITS

Benefit formula	Flat benefit x accumulated hours (units) each year x # of years worked = dollar pension credit
Normal form of pension	Joint & Survivor annuity guaranteed for five years and reducing to 60 per cent upon member's death
Contributions	100 per cent employer funded at specified hourly rates
Normal retirement age	Age 60
Early retirement age	Not more than 10 years prior to the normal retirement age
Vesting <i>(right to employer contribution)</i>	Full and immediate
Locking-in <i>(point at which contributions must remain in a registered plan until retirement)</i>	Two years plan membership
Portability <i>(ability to transfer benefits at termination)</i>	Allows for transfers to locked-in: <ul style="list-style-type: none"> • LIRA, LIF OR LRIF • successor pension plan • annuity purchase
Indexation	75 per cent of the Consumer Price Index rate increase, less one per cent annually to a maximum of four per cent
Additional pension benefits <i>(government plans)</i>	CPP and OAS

DEFINITIONS

Act

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

Actuarial equivalent

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

Actuary

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

Additional voluntary contributions

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

Administrator

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

Annuity

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

Beneficiary

A person, or your estate, entitled under the terms of the plan to receive pre or post-retirement survivor benefits on your death. Under the Pension Benefits Act of Ontario, a spouse (legal or common-law) is automatically the beneficiary unless the

appropriate waiver has been filed with the administrator either prior to your death or the commencement of the pension, as applicable.

Board of trustees or trustees

The operation and administration of the pension plan shall be the responsibility of the board of trustees. The board of trustees shall be comprised of six trustees, one of which is the business manager of the union and five who shall be elected by and from the membership of the union according to the constitution.

Canada Revenue Agency (CRA)

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

Cessation of membership or termination in the plan

Cessation of membership or termination in the plan is defined as having ceased employment in the industry for any company under collective agreement with the Quinte St. Lawrence Electrical Workers, or for a participating company, for a continuous period of at least two years or more. Nevertheless, a disabled member who qualifies for weekly indemnity, or long-term disability benefits under the Quinte St. Lawrence Electrical Workers Health and Welfare Trust Fund, or who is considered totally and permanently disabled as defined in this booklet, is considered active or employed during that time.

Collective agreement

Collective agreement shall mean any collective agreement between the Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and the International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario representing members of the Quinte St. Lawrence Electrical Workers. It also includes any modification or amendment of the agreement, by the terms of which the employer agrees to make contributions to the plan, which the board of trustees has agreed to accept.

Commuted value

The commuted value calculation is used to determine the lump sum value of the deferred pension benefit. It is calculated in accordance with the Standard of Practice for Determining Pension Commuted Values adopted by the Canadian Institute of Actuaries (CIA). The commuted value varies with the age of the member and spouse, the amount of benefit accumulated, and the interest rate in effect at the time the calculation is performed.

Company or employer

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

Consumer Price Index (CPI)

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

Continuous

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

Corporate trust agreement

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

Deferred pension benefit

A pension benefit other than an immediate pension benefit.

Employee

Employee means a person who is a member, or an employee, of the Local Union 115, IBEW and is employed on a regular, permanent, salaried or hourly-rated basis; or a person employed by a participating employer.

Employer

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

Enrolment date

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

Financial Services Commission of Ontario (FSCO)

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

Former member

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

- i) is entitled to a deferred pension payable from the pension plan;
or
- ii) is in receipt of a pension payable from the pension plan; or
- iii) is entitled to receive any other payment from the pension plan.

Fund or trust fund

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

Hourly worker

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

Immediate pension benefit

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

Locked-in

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

Locked-In Retirement Account (LIRA)

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

Member

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

Multi-employer pension plan

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

Normal retirement date

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

Participant

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

Participating employer

Means an employer that has been accepted by the board of trustees for participation in the Quinte St. Lawrence Electrical Workers Pension Plan.

Pension

A monthly pension benefit that is in payment.

Pension benefit

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

Pension Benefits Act

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

Pensioner

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

Plan

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

Plan year or fiscal year

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

Prescribed

Prescribed means pursuant to the requirements for registration.

Retire, retirement and retiring

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

Service

Continuous employment with a participating employer or continuous membership in the Quinte St. Lawrence Electrical Workers subsequent to the effective date of the plan.

Spouse

Means two people who:

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

Superintendent

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

Total and permanent disability

Means an individual, suffering from a physical or mental impairment that prevents an individual from engaging in any employment for which he/she is suited by education, training

or experience and that can reasonably be expected to last for the remainder of the individual's lifetime.

Trust agreement

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

Union

Local Union 115, International Brotherhood of Electrical Workers.

Union member

A member in good standing of the IBEW Local Union 115 and, for contribution purposes, includes Travel Card members.

Vesting or vested

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

WSIB benefits

Workplace Safety and Insurance Board benefits.

Year of service

A year of service is defined as the accumulation of 1,600 hours in any given calendar year.

Year's Maximum Pensionable Earnings (YMPE)

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

DEFINE THE ROLE OF:

Actuary

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

Administrator

The administrator is the board of trustees of the Quinte St. Lawrence Electrical Workers Pension Plan and Trust Fund. The board of trustees can delegate the day-to-day administration to a third-party administrator responsible for the payment of benefits and the provision of other administrative services such as record keeping, accounting and communicating with plan members.

Auditors

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

Board of trustees

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

Consultant

The party appointed by the board of trustees responsible for advising on the general management of the fund, ensuring that the plan is in compliance with the government regulations, drafting of the plan’s policies, reviewing and maintaining contracts and providing any other services required by the trustees.

Custodian

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

Investment manager

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

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

PURPOSE

What is the purpose of the pension plan?

The pension plan is designed to provide you with periodic payments after retirement and until death in respect of your service as an employee. These are in addition to those benefits provided through the Canada Pension Plan and Old Age Security. The plan also furnishes benefits to surviving spouses.

PLAN MISSION STATEMENT

The mission statement for the plan is as follows: “The long term goal of the pension plan is to produce a level of retirement income, which in combination with government benefits will provide an adequate and assured retirement income to members.”

FUND MISSION STATEMENT

The mission statement for the fund is as follows: “The investment fund should provide levels of returns, which in combination with actuarially sound financing will allow adequate benefit levels to keep pace with inflation. The investment of the fund should be managed prudently with the object of maximizing the returns while safeguarding the trust capital through adequate diversification of high quality investments with an acceptable degree of risk.”

EFFECTIVE DATE

When did the plan start?

The pension plan was first established on May 1, 1974 and has since undergone several changes and improvements. This booklet includes all revisions through March 31, 2006.

ELIGIBILITY

Who is eligible to participate in the plan?

All members in good standing of Local Union 115 are eligible to participate in the plan once they begin working for a contributing employer. Employees of the Local Union 115 itself as well as others working for an employer who has entered into a participation agreement with the Local Union 115 may also participate.

ENROLMENT

How do I enrol?

You must complete an enrolment card and submit it to the trust fund administrator. Cards are available from the Quinte St. Lawrence trust fund office.

BENEFICIARY DESIGNATION

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

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

CONTRIBUTIONS

How is the plan funded?

The plan is funded through employer contributions made at the rate determined in your Collective Agreement or participation agreement. The rate of contribution may change from time to time as provided by newly negotiated Collective Agreements.

May I make additional voluntary contributions?

No, the Canada Revenue Agency does not allow additional voluntary contributions to a Specified Multi-Employer Defined Benefit Plan.

Can I contribute to my personal RRSP if I participate in the plan? If so, how much?

Yes, you may make contributions to your personal RRSP if you participate in this plan. The Canada Revenue Agency will advise you each year through your income tax return Notice of Assessment as to how much you may contribute to your RRSP.

If I become disabled, will contributions continue on my behalf?

If you are being compensated through a Workplace Safety and Insurance Board claim, contributions will continue for a maximum of one year. Otherwise, contributions cease.

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

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

PENSION ADJUSTMENT

What is a Pension Adjustment (PA)?

The Canada Revenue Agency has introduced measures to equalize the amount that can be accumulated by each individual toward retirement savings in a given year regardless of the type of plan they are covered under. The pension adjustment is the amount by which your RRSP contribution limit is reduced in recognition of the value of benefit accruals under our pension plan. The system is geared so that the higher the value placed on your accrued pension benefits each year, the lower your RRSP contribution room and vice versa. Your PA is reported each year in Box 52 of your T4.

How is my Pension Adjustment (PA) calculated?

Your plan qualifies as a Specified Multi-Employer Plan (SMEP). As such, the value of your PA equals the contributions made to the plan in a given year.

VESTING

Do employer contributions made on my behalf belong to me?

Yes, once you are eligible to participate in the plan, all contributions made on your behalf will be used to purchase a retirement or termination benefit.

LOCKING-IN

*When do the required employer contributions become locked-in?
What does this mean?*

All required employer contributions made retroactive to the inception of the plan become locked-in once you have two years of membership in the plan, as per required provincial legislation. This means that at retirement, you must accept a deferred or immediate annuity that provides a monthly pension for life. On termination you may transfer the commuted value of such funds to a locked-in registered pension or retirement savings plan that will eventually result in receiving a monthly pension for life. The commuted value cannot be withdrawn in a lump sum cash settlement unless the amount of accrued monthly pension is less than two per cent of the Year's Maximum Pensionable Earnings (YMPE), as defined yearly by CPP. In 2006, this represents an amount of \$842.00 of annual benefit or less.

UNLOCKING LOCKED-IN FUNDS

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

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

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

RETIREMENT DATES

What is the normal retirement date?

A member's normal retirement date is the date upon which he has the right to retire and receive a full pension, and is the first of the month coincident with or immediately following the attainment of age 60.

What is the early retirement date?

A member's early retirement date being the earliest date upon which he has the right to retire and receive a reduced pension shall be the 1st day of any month in the ten years prior to his normal retirement date. The pension shall be reduced by six per cent for

each year of early retirement to a maximum reduction of 60 per cent at age 50.

What is the disability retirement date?

If you become totally and permanently disabled after age 50 and have completed 15 years of membership in the union, you may be entitled to a full pension after six months of total disability subject to medical evidence and approval of the trustees.

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

May I postpone my retirement date beyond age 60?

Yes, you may postpone your retirement date beyond age 60, however, the Canada Revenue Agency requires that all pensions commence payment by the end of the calendar year in which you attain age 69. Once you are drawing your pension beyond the age of 69, you may continue to work, however, your employer cannot remit any further contributions on your behalf.

If I terminate employment and defer my retirement beyond age 60 but before age 69, will I receive an increased pension?

ENHANCED RETIREMENT BENEFIT

If you retire or accrue pensionable service after your normal retirement date, you will be entitled to an enhanced retirement benefit. The amount of the enhanced benefit will be equal to the amount payable at your normal retirement multiplied by the ratio of the applicable annuity factors determined at your normal retirement date and at your actual retirement date.

For example, if you retire at age 62 and do not work beyond your normal retirement age of 60, your pension would be calculated as follows:

- Monthly pension accrued at age 60 = \$1,000
- Normal form of pension = Joint and Last Survivor annuity, reducing to 60 per cent with a five year guarantee
- Interest assumption applicable to partially indexed benefits = 3.75 per cent for first 15 years, 3.75 per cent thereafter

Annuity factor for pension at age 60 = 17.067404

Annuity factor for pension at age 62 = 16.404413

Ratio = 1.040415

Enhanced pension payable at age 62 = \$1,000 x 1.040415 = \$1,040.42

If you work beyond your normal retirement age of 60 and retire at age 62, your enhanced pension would be calculated as above but the monthly pension earned in your 61st and 62nd year would be calculated using the ratio applicable to your age in those years:

- Monthly pension accrued at age 60 = \$1,000

Annuity factor for pension at age 60 = 17.067404

Annuity factor for pension at age 61 = 16.738701

Ratio = 1.019637

Pension earned in your 61st year (assuming you work 1,600 hours) = \$87.81 x 1.019637 = \$89.53

Annuity factor for pension at age 60 = 17.067404

Annuity factor for pension at age 62 = 16.404413

Ratio = 1.040415

Pension earned in your 62nd year (assuming you work 1,600 hours) = \$87.81 x 1.040415 = \$91.36

Enhanced pension payable at age 62 = $\$1,000 \times 1.040415 =$
 $\$1,040.42 + \$89.53 + \$91.36 = \$1,221.31$

Once I begin drawing my pension may I return to work? If I do return to work, will I receive an increased pension?

You may return to work once you begin receiving a monthly pension. The effect on your benefits will be as follows:

Immediately upon returning to work	<ul style="list-style-type: none"> • pension suspended • recommences when employment ceases • increased in accordance with newly accumulated hours
Or immediately upon returning to work	<ul style="list-style-type: none"> • pension continues uninterrupted • all future contributions are forfeit

How do I apply for my pension?

Once you have decided on a retirement date, you should notify the administrator at least one month prior to the effective date. They will send you the appropriate forms for completion and will provide, at your request, information you require concerning your selection of optional forms of pension.

FORM OF PENSION

What is the normal form of pension?

The pension that you have accumulated is payable in the form of a joint and last survivor annuity with a 60 per cent survivor benefit and a five year guarantee.

This means the full amount of pension is payable for as long as you

live. Should you predecease your spouse, the spousal payments will not be reduced within the first five years of the effective date of your retirement. In the sixth, year the payments will be reduced by 40 per cent. Payments continue to your spouse for his/her lifetime.

If your spouse should die while payments are being made to him/her, and it is still within the first five years of the effective date of your retirement, payments will continue to your spouse's beneficiary for the remainder of this five-year period.

What other forms of pension are available?

An optional form of pension of equivalent value may be elected with the consent of your spouse, if applicable, before your retirement as follows:

Life annuity with no guarantee	Payments for life which cease on death
Life annuity with 5, 10 or 15 year guarantee	Payments for life but should you die, within the guarantee period, the payments continue to your designated beneficiary to the end of the guarantee period.
Joint & Survivor non-reducing on the primary annuitant's death with 5, 10, or 15 year guarantee	Payments for life that continue to your spouse at 100 per cent for life should you predecease your spouse, and continuing to the subsequent beneficiary for duration of the elected guarantee period.

Any other form acceptable to the Financial Services Commission of Ontario	Payments in accordance with the form selected
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Please note: To elect an option other than the normal form of pension in which the survivor benefit is at least 60 per cent of the initial pension, your spouse must complete and sign a spousal waiver giving up his/her rights to a survivor benefit. This waiver is available at the administrator's office. The waiver is not effective unless the written direction or certified copy is delivered to the administrator within the period of twelve months immediately preceding the commencement of payment of the pension benefit. Persons who have delivered a waiver may jointly cancel the waiver to the administrator before commencement of payment of the pension benefit.

AMOUNT OF PENSION

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

The amount of monthly pension you receive at retirement depends on two factors:

- i) the number of hours you work each year; and
- ii) the number of years you work prior to retirement

The following table illustrates the amount of current service pension credits that have been credited for each year of service since the inception of the plan. One full year of credited current service shall be given for each plan year in which a member has 1,600 hours contributed on his behalf. If the total number of hours for which contributions are made is more than 1,600 in a plan year, one-tenth of a year will be credited for each additional 160 hours. The reverse applies if your credited service is less than 1,600 hours.

Period	Pension credit in dollars of monthly pension payable at normal retirement date
May 1, 1974 -December 31, 1982	\$26.87
January 1, 1983-December 31, 1985	\$50.45
January 1, 1986-December 31, 1988	\$52.98
January 1, 1989-December 31, 1989	\$58.02
January 1, 1990-December 31, 1990	\$65.58
January 1, 1991-December 31, 1992	\$73.15
January 1, 1993-December 31, 1993	\$76.82
January 1, 1994-December 31, 1994	\$83.41
January 1, 1995-December 31, 1997	\$85.35
January 1, 1998 or later	\$87.81

The amount of these pension credits in dollars of monthly pension is subject to change. Changes may result from a new negotiated Collective Agreement or as a result of the fund's investment earnings.

Example

If your pension statement stated that you earned an annual pension credit at normal retirement (age 60) of \$11,824.40, you would receive a monthly payment in the form of a Joint & Survivor 60 per cent annuity with a five year guarantee in the amount of \$985.36 per month.

The alternative forms quoted to you would be as follows:

Alternative form of pension	Monthly
Life only, no guarantee	\$1,092.68
Life, 5 year guarantee	\$1,085.99
Life, 10 year guarantee	\$1,065.83
Life, 15 year guarantee	\$1,035.45
Joint & Survivor 60%	\$987.53
Joint & Survivor 60%, 10 year guarantee	\$978.31
Joint & Survivor 60%, 15 year guarantee	\$966.63
Joint & Survivor 100%	\$927.99
Joint & Survivor 100%, 5 year guarantee	\$928.03
Joint & Survivor 100%, 10 year guarantee	\$927.54
Joint & Survivor 100%, 15 year guarantee	\$925.61

Please note, the above is for illustrative purposes only.

PENSION INDEXATION RATE

Is my pension indexed?

Yes, your pension is eligible for indexing annually commencing on the 1st of January following the later of the date the pension commences or the date you attain age 60, and subsequently on January 1 of each year thereafter as long as the pension is payable.

What is the rate of indexation?

Pension benefits eligible for indexation are adjusted according to the following established formula:

75 per cent of the increase in the Consumer Price Index (CPI) less one per cent	Minimum 0 per cent Maximum four per cent
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Any cumulative excess or decrease is carried forward to succeeding years. Any benefits subject to indexation for the first time are adjusted on a pro-rata basis.

Ad hoc increases may be granted on certain benefit accumulations from time to time as a result of surplus funding. Actuarial valuations are conducted every three years. To verify that the funding is adequate and to determine if sufficient surplus is available to fund pension benefit enhancements. Ad hoc increases can also affect pension amounts of members already receiving a pension.

PORTABILITY

May I transfer my pension entitlement at retirement?

In lieu of drawing a monthly pension, you may transfer the commuted value of your accumulated pension to a Life Income Fund or Locked-In Retirement Income Fund.

LIFE INCOME FUND (LIF)

What is a Life Income Fund?

A Life Income Fund (LIF) is an alternative income producing arrangement to an annuity. LIFs provide increased flexibility by enabling you to defer the purchase of an annuity to the end of the year in which you turn 80 years of age. While in the LIF, locked-in monies provide an adjustable flow of retirement income within a specified range of minimum or maximum withdrawals. At the same time, control over the balance of the locked-in capital and its investments is retained by you while investment earnings continue to accrue on a tax-sheltered basis.

In essence, the LIF is like a bank account between your retirement age and the end of the year in which you turn age 80. You must draw an income from this account within the prescribed minimum and maximum payment levels. You cannot cash in the account.

One advantage of the LIF is that you may time the purchase of the annuity. Your purchasing power is greatly affected by interest rates on the date of purchase. A LIF offers the potential for you to take advantage of a peak in interest rates.

At death, your surviving spouse, or in the absence of a spouse, your beneficiary or estate is automatically entitled to the balance in the LIF contract. At the time of your death, the full amount remaining in the LIF can be transferred to your spouse without tax implication. This can be done using the existing LIF or by transferring the assets to your spouse's LIF or Locked-in Retirement Account (LIRA). If you do not have a spouse, the full amount becomes taxable in the hands of your beneficiary or estate.

What is the minimum withdrawal formula?

The minimum withdrawal formula is calculated by dividing the balance in the LIF at January 1 of each year by 90, less your age on the same date with exception between ages 71 - 77 inclusive for LIF's purchased after 1992.

The following table shows the minimum percentage of the LIF balance (at the beginning of the year) which must be withdrawn annually. The minimum withdrawal rates expressed as a percentage of the LIF balance (as per the table) are fixed. The dollar amount of the withdrawal must be calculated yearly based on this fixed percentage.

Age at start	New age during year	Years to end of age 90	Minimum % Withdrawal
55	56	35	2.86%
56	57	34	2.94%
57	58	33	3.03%
58	59	32	3.13%
59	60	31	3.23%
60 *	61	30	3.33%
61	62	29	3.45%
62	63	28	3.57%
63	64	27	3.70%
64	65	26	3.85%
65	66	25	4.00%
66	67	24	4.17%
67	68	23	4.35%
68	69	22	4.55%
69	70	21	4.76%
70	71	20	5.00%
71	72	19	7.38%
72	73	18	7.48%
73	74	17	7.59%
74	75	16	7.71%
75	76	15	7.85%

Age at start	New age during year	Years to end of age 90	Minimum % Withdrawal
76	77	14	7.99%
77	78	13	8.15%
78	79	12	8.33%
79	80	11	9.09%

* For example, the minimum annual withdrawal in a year for a person aged 60 at the beginning of the year with a LIF balance of \$100,000 is as follows: $\$100,000 \times 3.33\% = \$3,330$ (the minimum allowable withdrawal for the fiscal year).

In the initial year of the LIF, the minimum withdrawal amount is zero. You must begin receiving annual payments at least equal to the minimum before the end of the second year. If you do not initiate the withdrawal, the carrier must make the payment to you.

What is the maximum withdrawal formula?

LIF regulations permit cash withdrawals up to the maximum during the initial fiscal year, provided you are 55 years of age, and the transfer has not been made from another LIF. In the initial year of the fund, the maximum is pro-rated based on the number of months the fund has been in existence.

The maximum withdrawal formula is designed to ensure that sufficient money remains in the LIF to purchase a Life annuity at age 80.

The interest rate used to calculate the annuity factor for the maximum annual withdrawal may be determined using one of the following two methods:

- i) by using an interest rate not to exceed six per cent for all years;
- or

- ii) by using an interest rate that is not higher than the prescribed rate (published in the Bank of Canada Review under identification number V122487, formerly B14013) for the first 15 years and a rate that does not exceed six per cent in the remaining years.

The interest rate chosen will ultimately affect the balance in the fund available to purchase a Life annuity. Using a lower interest rate will result in a lower maximum annual withdrawal amount. As a consequence, the balance available to purchase an annuity at age 80 may be higher than for a younger age.

It is important to note that the interest rate discussed above has no connection to the interest rate generated by the investments supporting the LIF.

The maximum withdrawal formula is:

Amount in LIF at start of year = maximum dollar
withdrawal in year

Present value of payments of \$1 per year to end of age 90

SPOUSAL CONSENT

A LIF may only be purchased with the written consent of your spouse. When the pension assets are transferred to a LIF, the spousal rights with respect to the assets are also transferred.

TAXATION

The total amount of the LIF payment is taxable in the year it is received. At the same time, the payment is eligible for the pension tax credit of \$1,000.

LOCKED-IN RETIREMENT INCOME FUND (LRIF)

The province of Ontario also offers the LRIF as a retirement option. The LRIF is similar to the LIF with the following exception:

- i) there is no requirement to purchase an annuity at age 80;
- ii) the maximum withdrawal from a LRIF is equivalent to the greater of:
 1. interest earnings of the fund in the previous year (including unrealized capital gains or losses);
 2. the value of the assets of the fund minus the difference between all amounts transferred into and out of the fund since its establishment; or
 3. in the first two years of the fund, six per cent of the value of the assets of the fund.

If you do not withdraw the maximum amount in any given year, the balance may be added to the maximum amount in the following year. The minimum withdrawal during a fiscal year must not be less than the minimum amount prescribed for a RRIF under the Income Tax Act.

GOVERNMENT PROGRAMS

As of January 2006, the maximum benefits available at age 65 were:

Canada Pension Plan	\$844.58 or
Québec Pension Plan	\$844.58
Old Age Security	\$484.63

DEATH BENEFITS

What happens to the pension credits that I have accumulated if I die before retirement?

If you die before retirement, your surviving spouse is entitled to receive the greater of:

- a lump sum payment equal to the commuted value of your deferred pension; or,
- an immediate or deferred pension, the commuted value of which is at least equal to the commuted value of your deferred pension; or,
- a lump sum payment equal to the total of the contributions made to the plan on your behalf plus the prescribed interest credit on these contributions.

If there is no surviving spouse then your designated beneficiary or estate will receive the greater of:

- the commuted value of your deferred pension; or,
- the total contributions you made to the plan plus the prescribed interest credit on those contributions, in a lump sum settlement less applicable taxes.

What is the commuted value?

The commuted value is simply a lump sum representing the present value of the stream of payments that would have been payable at the normal retirement date. It is based on assumptions consistent with the guidelines set by the Canadian Institute of Actuaries. The commuted value varies with the age of the member, the amount of benefit accumulated, and the interest rates in effect at the time the calculation is performed.

How long does my spouse have to decide on an option after my death?

The law requires the surviving spouse to notify the administrator and make a decision on an option within 90 days from the date of death on the necessary forms, otherwise, the spouse shall be deemed to have elected to receive an immediate pension.

What happens to my pension if I die after retirement?

If you die after you have started to receive a monthly pension, the amount of any further benefit will be determined by the form of pension chosen at retirement.

Is the death benefit taxable?

Yes. If the surviving spouse wishes to defer the taxation, the commuted value may be transferred to a registered retirement savings plan. This option is not available to a beneficiary other than the surviving spouse.

BENEFITS ON TERMINATION

When can I terminate my membership in the plan?

Termination of plan membership is permitted once you have ceased employment in the industry for any company under Collective Agreement or participation agreement with Local 115 for a continuous period of at least two years for reasons other than disability which render you eligible for weekly indemnity or long term disability benefits under the QSLEW Health and Welfare Trust Fund.

What are my options once I become eligible for a termination benefit?

When you terminate your membership in the plan, you are entitled to transfer your locked-in pension benefit, this being the commuted value of the deferred pension calculated in accordance with the recommendations made by the Canadian Institute of Actuaries, to:

- another pension plan, if that other plan permits, or
- a locked-in retirement savings plan; or
- use the pension benefits credit to purchase a life annuity that will not commence before the earliest date on which retirement is permitted under this plan; or

- purchase a Life Income Fund, if you are over age 50.

If I terminate employment in the industry, may I leave the pension benefit credit in the plan until my retirement?

Yes, if you leave the industry, you may leave your accrued pension benefit in the plan until you are ready to retire.

How do I go about making application for a transfer of funds from the plan?

To apply for a transfer of funds, you must first contact the plan administrator and complete the necessary forms.

If I remain in the electrical industry but transfer my union membership to another local, can I transfer my benefits to that new local?

Yes, you may transfer the actuarial equivalent of your benefit to the new home local in accordance with the National Reciprocal Agreement.

CREDIT SPLITTING ON DIVORCE, ANNULMENT OR SEPARATION

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

Yes, under the provincial property law, your spouse is entitled to a maximum of 50 per cent of the pension credits that you accumulated while you were married or in a common-law relationship.

SPOUSAL WAIVERS

Pension legislation protects the rights of your spouse. It is important for you to realize that your spouse or common-law partner is entitled to different types of pension benefits at different times during your membership in the plan. For example, although your spouse may agree to waive his/her entitlement to a

pre-retirement death benefit, this does not affect his/her entitlement to pension benefits on marriage breakdown, or on your death after retirement.

There are basically three triggering events:

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

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

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

ASSIGNMENT

Can I use my pension benefits as collateral to borrow money?

Can my pension benefits be seized on bankruptcy?

No. The law prohibits 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.

INVESTMENTS

Where are the funds invested?

All of the funds are held by our Custodian, CIBC Mellon GSS and managed by our money managers, Jarislowsky Fraser Limited, Burgundy Asset Management, TD Quantitative Capital, CANSO Investment Counsel, ACM Advisors Ltd. and Guardian Capital LP. The assets are split 35/35/15/5/5/5 per cent between the six money managers. The funds are invested in stocks, both Canadian and foreign, bonds and cash and short term notes. The asset mix is defined in the Statement of Investment Policies and Procedures.

Pension fund investments are governed by government regulations and must follow the guidelines of the regulations set out by the Pension Benefits Act. The Statement of Investment Policies and Procedures is reviewed regularly by the Financial Services Commission of Ontario.

RIGHTS TO INFORMATION

How will I know how much pension I have accumulated?

Each year the administrator forwards a pension statement to your home outlining your earned pension, retirement dates, the name of your beneficiary, etc. It is important that all information on this statement is completely accurate. Any and all discrepancies should be immediately reported to the administrator.

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

Yes, once a plan amendment has been registered with the Financial Services Commission of Ontario and the Canada Revenue Agency, the administrator has 60 days to notify you in writing if you are affected by the amendments. These changes are published in the monthly Local 115 IBEW union newsletter.

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

Each member is entitled to receive a booklet outlining the general provisions of the plan. He is also entitled to inspect the registered documents on file with the Financial Services Commission of Ontario on written request.

What other sources of information am I entitled to receive?

On termination, retirement or death, you or your surviving spouse as the case may be, shall receive a written statement of entitlements and options.

Who should be contacted for more information?

The plan administrator should always be contacted for information regarding the plan.

ADMINISTRATION

Who administers the plan?

The daily administration is handled by the plan administrator at the trust fund office.

PLAN SECURITY

Can the plan be changed or discontinued?

The trustees can change the plan provided:

- such change does not contravene any provisions of the Collective Agreement between Local Union 115 and the employers;
- the change does not allow the use of any part of the pension fund other than for the exclusive use of persons who may be entitled to benefits under the pension plan;
- the change must be approved by all federal and provincial departments concerned.

If the contributions to the plan are insufficient in any year to meet the cost of the plan under the minimum solvency provisions stipulated in the Ontario Pension Benefits Act, the provisions of the plan will have to be amended. If the plan was ever to be discontinued, all monies in the pension fund would be applied in an equitable and legal manner for the benefit of persons who have or may become entitled to benefits under the pension plan and for no other purpose.

How is plan solvency controlled?

The solvency of the plan is carefully regulated by the Financial Services Commission of Ontario. An actuarial plan valuation must be filed with FSCO every three years. To be prudent, conservative assumptions are used. This valuation helps the board assess whether or not the assets are sufficient to meet the obligations of the plan and the funding is adequate to provide the benefits promised.

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

This depends upon the valuation results and how the Financial Services Commission of Ontario judges the adequacy of assets and funding levels to meet promised benefit amounts. (i.e. to what degree the solvency ration is greater than 1). Even where the contribution rate has been increased, benefit improvements can only be made if the plan is deemed to be in a financial position to do so. At certain points in time, actual plan results may differ negatively from the assumptions used by the actuary and funds may be used to offset such shortfalls.

Can the pension benefit be reduced?

Yes, under specific conditions, it is possible for your pension benefit to be reduced. The benefit is provided under a multi-employer pension plan. In addition, it is a defined benefit and the obligations of the employers to contribute to the pension fund are limited to a fixed amount set out in your collective agreement. There is no recourse funding on the participating employers if a funding

deficiency is created. Consequently, the plan is not protected under the Ontario Pension Benefits Guarantee Fund (PBGF) against funding shortfalls. Only single employer plans, where the company is responsible for correcting a funding deficiency, are protected under the PBGF.

If there are insufficient funds in the pension plan to pay all the pension benefits on the wind-up of the plan, in whole or in part, the pension benefits shall be reduced in a manner prescribed by the Pension Benefits Act of Ontario. Also, if the latest actuarial valuation determines that the solvency liabilities of the plan exceed the assets of the plan and the result is a transfer ratio of less than one, the plan would not be permitted to transfer 100 per cent of the commuted value of your pension, or pay out 100 per cent of your monthly pension benefit until the solvency deficiency was corrected. All solvency deficiencies must be corrected within a five year period. Once the deficiency is corrected, the shortfalls are subsequently paid.

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

IMPORTANT NOTE

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

This outline does not create or confer any contractual or other rights.

All rights and obligations with respect to the plan are governed by the Trust Agreement and Plan Document of the Quinte St. Lawrence Electrical Workers Pension Plan and any governmental regulations.

PENSION PLAN REGISTRATION NUMBER 391672

Any and all inquiries should be directed to the plan administrator:

Michelle Cotman; *Benefits Administrator*

QSLEW Trust Funds
40 Binnington Rd.
Kingston, ON; K7M 8S3

Phone (613) 547-4115 x2

Fax (613) 547-1678

EMAIL: mcotman@kos.net

WEBSITE: www.ibew115.on.ca

This booklet contains important benefit information and should be easily accessible.

PROTECTING YOUR PERSONAL INFORMATION

The administrator of your pension plan is the Quinte St. Lawrence trust fund office. We recognize and respect every individual's right to privacy. When personal information is provided to us, we establish a confidential file. We use the information to administer the pension plan. We limit access to information in your file to trust fund staff or authorized persons who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law.