

Alberta Sheet Metal Workers' Retirement Trust Fund

Facts At A Glance

2010

1. Membership & Vesting Requirement

You become an Active member of the Plan when an Employer contributes for you and you complete and return the required enrollment form to the Pension Plan office. However, you **must be vested** before you are entitled to benefits. Vesting means your non-forfeitable right to the benefit of the employer contributions remitted to the Plan on your behalf. You will be vested once the Plan has received a total of 700 hours of covered employment within two consecutive Plan years.

2. Retirement Dates

Normal Retirement Age is **65**. You may commence ***Early Retirement at age 60 with no reduction penalty.*** You may choose to retire as early as age 55 and receive an actuarially *reduced* Lifetime Pension. The reduction reflects the extra pension payments you are expected to receive over your lifetime.

3. Lifetime Pension

Your Employer remits contributions for every hour that you work. The rate per hour contributed is based upon their agreement with Local Union 8. Because there are varying rates, your contributions are converted to a Standard Contribution Rate (SCR) to calculate your monthly Lifetime Pension for each Plan Year.

Effective January 1, 2010, the Standard Contribution Rate (SCR) is \$4.50 per hour and you earn 4.14 cents for each SCR hour.

- Example: **1,820** hours contributed at **\$4.00** per hour earns **\$66.32** per month **Lifetime** Pension, payable unreduced at age 60, and based on the Standard Form of Pension noted below [#5].

4. Supplementary Pension

A Supplementary Pension is payable to you ***if you retire on or after age 57 and is payable to age 65.*** The Supplementary Pension is equal to 50% of the Lifetime Pension calculated at the age of retirement (i.e. – on early retirement occurring at age 57-59, the supplementary pension is equal to 50% of the reduced lifetime pension, payable in the Standard Form [#5].) If you elect to retire before age 57, there is no supplementary pension paid. [Subject to Canada Revenue maximums].

- The example above would provide a Supplementary Pension of **\$33.16** per month ***from age 60 to age 65.***

5. Standard Form of Pension

You will receive an Annual Pension Statement in February of each year reflecting the amount of Lifetime monthly pension you earned during the immediate past year and your accumulated total. The amounts are recorded in the **Standard Form of Pension** which is Joint & Last Survivor ~ guaranteed for your lifetime and your spouse's lifetime. If you have no spouse, your benefit is payable monthly for your lifetime, with the guarantee that if you die before receiving 60 monthly payments, the value of the remaining payments will be paid to your beneficiary or estate.

6. Self-Payment Provision

Once ***vested***, and providing you have never received retirement income from the Plan, you may make a single lump sum payment (Self-Payment) to increase your Standard Contribution Rate Hours earned in the immediate preceding year. (You must have hours of covered employment in order to self pay.) Self-Payments can only be made annually during the months of February and March. You may purchase any number of Standard Contribution Rate Hours ***up to a maximum of 2,100.00 hours at \$4.50 per hour***, providing the total of your Self-Payment and Standard Contribution Rate hours do not exceed 2,100 hours.

- 2,100 hours @ \$4.50 per hour earns \$86.94 /month lifetime pension, payable unreduced at age 60

Your Self-Payment is tax deductible for the year in which it is paid, and will reduce the amount you are permitted to contribute to an RRSP for the year. You may roll in RRSP funds; however, no tax deduction will occur.

7. Past Service Purchases

Once *vested*, and providing you have never received retirement income from the Plan, you may Purchase Past Service for previous years where you have not earned a Lifetime monthly pension of \$86.94 per month. Your Past Service payment is tax deductible for the year in which it is paid. If applied to a year prior to 1990, the payment will *not* reduce your RRSP contribution room. You may roll-in RRSP funds; however, no tax deduction will occur. If you are interested in increasing your Lifetime Pension through this provision, please contact the Pension Plan Office for a Past Service calculation.

8. Flex Contributions

An Active vested Member may open a Flex Account and make voluntary contributions. Your Flex contribution is tax deductible for the year in which it is paid, and will *not* affect your RRSP room. This account will earn annual compounding interest. *At the time of retirement*, you would use your account to purchase additional benefits such as:

- a cost of living increase,
- more supplementary benefit (payable from retirement to age 65),
- offset Early Retirement reduction from age 57 to age 55,
- increase the Standard Form of Pension (pre-97) from Single Life to Joint & Last Survivor,
- a combination of the above four options.

You can deposit the *lesser* of:

- the sum of \$1000 *plus* 70% of employer contributions received on your behalf during the year, **OR**
- 9% of your earned (taxable) income for the year.

For example, if you had Employer Contributions of 2,000 hrs x 4.00 /hr = \$8,000 less 1% Funeral Benefit

- $\$7,920 \times 70\% = \$5,544 + \$1,000 = \$6,544$, **or**
- $\$75,000 \text{ annual taxable income} \times 9\% = \$6,750$.

In this example, \$6,544 would be the annual maximum you could contribute and deduct from your taxable income. Keep your payslips in order to calculate your maximum amount towards the end of each year.

9. Disability Pension

If you become disabled, without interruption, for at least 6 months and you are an *Active, vested* Plan Member, you may be eligible to receive a Disability Pension Credit.

10. In the Event of Your Death - Prior to Retirement

Vested and leave a Surviving Spouse - **75% of the Lifetime Pension** you had earned is payable for your *spouse's lifetime*, with a guarantee in any case of 120 payments.

Vested and leave no Spouse but do leave Financial Dependents - 75% of the Lifetime Pension you had earned is payable for up to ten years (subject to limits imposed by Income Tax Regulations).

Vested and leave no Spouse & no Financial Dependents - a commuted value of the pension benefit you had earned is payable to your named beneficiary or estate.

11. Questions

The Alberta Sheet Metal Workers' Retirement Plan is registered with Canada Revenue Agency and Alberta Finance, and directed and administered by an **Industry Joint Board of Trustees**; three Local Union #8 Trustees, three Employer Trustees, and two Pensioner Trustees. The Joint Board of Trustees employs a skilled staff to perform administrative functions. Any questions should be directed to the Pension Plan Office at;

Alberta Sheet Metal Workers' Retirement Trust Fund
4990 - 93 Avenue, Edmonton, Alberta T6B 2L6
Phone: (780) 466-1999 Toll Free (In Alberta): 1-800-642-3881 Fax: (780) 466-2095

12. Web Site: www.absheetmetalpension.com

The web site contains a detailed up-to-date copy of the plan booklet. Any plan member can obtain a printed copy by contacting the above office.

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