

January 1, 2020

**British Columbia Terminal
Elevator Industry Pension Plan
Member Booklet**

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Introduction

Everyone wants to retire in financial comfort. The British Columbia Terminal Elevator Industry Pension Plan (the “Plan”) was established on August 1, 1975 to help you achieve your retirement goals. In combination with government benefits and your own personal savings, your industry pension will help you enjoy a more financially secure retirement.

This is your pension plan and it will play an important role in your financial future. You are encouraged to learn about it. In order to fully understand how the Plan works, there are some terms you should know. These terms are italicized whenever they appear in this booklet. A glossary at the back of the booklet provides definitions for all the italicized terms used.

Pension plans and the legislation that governs them are complex. The information in this booklet summarizes the main features of the Plan as of January 1, 2020. It does not create nor confer any rights to benefits. Not every detail can be contained in a summary such as this. In the event of any discrepancy or misunderstanding, benefits will be determined and paid according to the official Plan documents and the applicable legislation.

If you have any questions or require further information, please contact:

**Trustees - British Columbia Terminal Elevator Industry Pension Plan
c/o Mercer (Canada) Limited
550 Burrard Street
Suite 900
Vancouver BC V6C 3S8**

**Tel 604 609 3143
Fax 604 683 4639
Email bcterminal@mercer.com**

or contact the Grain Workers Union.

Questions and Answers

Who can join? (See Page 5)

Members of the Grain Workers Union Local 333 employed by a participating company.

Do I have to contribute? (See Page 5)

Yes, you are required to make contributions to the Plan.

When can I retire? (See Page 8)

Whenever you like after age 50. The earliest you can retire is age 45 if you have completed 30 years of *continuous employment*. Pensions must start by the year you turn 71.

What amount of pension will I receive? (See Page 10)

\$70.00 per month for each year of *credited service* plus a bridge benefit if you retire before age 65.

What do I receive if I leave the plan before retirement? (See Page 15)

You will be eligible to receive a pension when you retire. If you prefer, you can elect to transfer the value of your pension to a *locked-in* arrangement. If you have no *credited service*, you will be entitled to receive a refund of your own contributions plus interest.

Can I also contribute to an RRSP? (See Page 19)

Yes, however, the amount you can contribute is affected by your membership in this Plan.

What happens if I return to work after I start to receive my pension?

If you return to work for a participating company in the British Columbia Terminal Elevator Industry Pension Plan, you will continue to receive your pension payments, but you will not earn any additional pension benefits in this new employment.

Joining the Plan

You participate in this Plan if you are a member of the Grain Workers Union Local 333 and you are employed by any of the following participating employers:

- Alliance Grain Terminal Ltd.
- Cargill Limited
- Columbia Containers Ltd.
- G3 Terminal Vancouver Limited Partnership
- Grain Workers Union Local 333
- Prince Rupert Grain Ltd.
- Richardson International Limited
- Viterra Inc. - Cascadia Terminal
- Viterra Inc. - Pacific Elevators Limited

Contributions

You and your employer make contributions for each hour you have worked in accordance with your collective agreement, as follows:

	You	Your Employer
Effective January 1, 2011	\$2.50	\$3.69
Effective January 1, 2012	\$3.00	\$4.19
Effective January 1, 2013	\$3.50	\$4.69
Effective January 1, 2014	\$4.00	\$5.19
Effective January 1, 2015	\$4.50	\$5.69
Effective January 1, 2016	\$4.50	\$6.04
Effective January 1, 2017	\$4.50	\$6.39
Effective January 1, 2018	\$4.50	\$6.69
Effective January 1, 2019	\$4.50	\$6.69
Effective October 1, 2019	\$4.25	\$6.94
Effective January 1, 2021	\$4.00	\$7.19
Effective January 1, 2023	\$3.75	\$7.44

Prince Rupert Grain Ltd. only

Effective January 1, 2011	\$2.25	\$3.44
Effective January 1, 2012	\$2.50	\$3.69
Effective January 1, 2013	\$3.00	\$4.19
Effective January 1, 2014	\$3.50	\$4.69
Effective January 1, 2015	\$4.00	\$5.19
Effective January 1, 2016	\$4.50	\$6.04
Effective January 1, 2017	\$4.50	\$6.39
Effective January 1, 2018	\$4.50	\$6.69
Effective January 1, 2019	\$4.50	\$6.69
Effective July 10, 2019	\$4.25	\$6.94
Effective January 1, 2021	\$4.00	\$7.19
Effective January 1, 2023	\$3.75	\$7.44

Credited Service

In order to understand how much pension you will receive at retirement, you need to understand the term *credited service*. The amount of pension you receive at retirement is based on your years of *credited service*.

Credited service is defined as service with your employer after you join the Plan. During this service:

- you and/or your employer make contributions, and
- you work the minimum required number of hours in the year.

Note

Credited service is not the same as *continuous employment*. *Credited service* applies to the amount of hours worked in a year; therefore, you may have 2 years of *continuous employment* but less than 2 years of *credited service*.

Continuous Employment

One year of *continuous employment* is a year during which:

- you were employed by a participating company in the British Columbia Elevator Industry Pension Plan
- you were a full-time official of the Union
- you were ill and in receipt of sickness benefits from your employer
- you were *totally disabled* and in receipt of disability income from your employer
- you were absent from work and in receipt of Workers' Compensation Benefits, or
- you were on active service with the Canadian Armed Forces.

Dates

The earliest date you could have joined the Plan was:

- August 1, 1974
- February 9, 1980 for Prince Rupert Grain Ltd. employees, or
- August 1, 1987 for Grain Workers Union secretarial staff.

If you became a Plan member on the above dates, the Trustees may grant additional *credited service* to recognize your earlier employment.

Eligibility for One Year of Credited Service

You will receive one year of *credited service* if during any *Plan year*, one of the following applies:

- you work a minimum of 800 hours under one of the labour agreements
 - vacation hours count toward this amount **only** in your final year before retirement
- you are a full-time official of the Grain Workers Union Local 333
- you are on active service in the Canadian Armed Forces
- you are ill and in receipt of sickness benefits provided by your employer
- you are *totally disabled* or *totally and permanently disabled*, and in receipt of a disability income benefit provided by your employer, or
- you are receiving Workers' Compensation Benefits while absent from work.

Totally Disabled

A disability in which you are physically or mentally impaired so that you are unable to perform the duties of employment in which you were engaged prior to the impairment, certified in writing by a doctor.

Totally and Permanently Disabled

A disability in which you are physically or mentally impaired so that you are unable to engage in any form of employment for which you are reasonably suited and that expected to continue for your lifetime, certified in writing by a doctor.

Eligibility for Pro-rated Credited Service

If you work less than 800 hours but at least 530 hours in a *Plan year*, you will receive *credited service* pro-rated on 800 hours if you had:

- previously earned *credited service* under this Plan, or
- worked at least 530 hours in each of the 2 immediately preceding calendar years.

Plan Year

Twelve months starting on January 1st and ending on December 31st.

Eligibility For A Pension Benefit

You are eligible for a pension when you retire. The various types of retirement, eligibility requirements, and retirement benefits are described on the following pages.

Normal Retirement

You may retire with a normal pension on the last day of the month that you reach age 65.

Early Retirement With Trustee Consent

You may retire early if you are:

- at least age 50, or
- at least age 45 and have completed 30 years of *continuous employment*.

Unreduced

Your pension on early retirement, with Trustee consent, will be the same as your normal pension without reduction if your pension is payable after the month in which:

- you turn age 60, or
- you turn age 55 and have completed 30 years of *continuous employment*.

Reduced

Your pension on early retirement, with Trustee consent, will be reduced to be *actuarially equivalent* to your normal pension if your pension is payable before the month in which:

- you turn age 60, or
- you turn age 55 and have completed 30 years of *continuous employment*.

Actuarially Equivalent

Two values paid at different dates, in different forms of payment or for different time frames that are equal after applying expected investment returns and mortality rates.

Early Retirement Without Trustee Consent

If Trustee consent is not granted for any reason, you may still choose to retire early if you are:

- at least age 50 or
- at least age 45 and have completed 30 years of *continuous employment*.

However, your pension will be reduced if you retire before age 60.

Unreduced

Your pension on early retirement, without Trustee consent, will be the same as your normal pension if your pension is payable after the month in which you turn age 60.

Reduced

Your pension on early retirement, without Trustee consent, will be reduced to be *actuarially equivalent* to your normal pension if your pension is payable before you turn age 60.

Postponed Retirement

You may choose to retire later than your *normal retirement date*. However, by law, you must start your pension before the end of the year in which you turn age 71. All contributions will cease at the earlier of the start of your pension or the end of the year in which you turn 71.

Disability Retirement

You may retire on a disability pension if you:

- are *totally and permanently disabled*
- have completed 15 years of *continuous employment* in the Plan immediately prior to disability
- are not entitled to receive disability benefits from your employer, and
- are entitled to receive a disability pension under the Canada Pension Plan.

Date of Retirement

While you may cease to work any day you wish, your date of retirement is always considered to be the last day of the month. You may not continue to be employed by a participating employer in regular employment beyond this date.

Your pension will be payable on the last day of the month following your date of retirement.

Retirement Benefits

Your retirement benefit is based on your years of *credited service* under the Plan multiplied by the benefit rate in effect on the date of your retirement. The Plan Trustees set the benefit rate based on the financial position of the Plan and on the advice of the Plan *actuary*. As of January 1, 2019, the benefit rate is \$70.00.

Normal Retirement Benefit

On and after January 1, 2019, your normal retirement benefit will be calculated as follows:

\$70.00 per month for each year of *credited service*.

EXAMPLE

You are age 65 on June 30, 2019 and have been continuously employed in the industry since July 1992, and you and your employer have made contributions as required for at least 800 hours each year.

***Credited service* from July 1, 1992 to June 30, 2019 = 27 years**

Your monthly pension = 27 years x \$70.00 = \$1,890.00

Early Retirement Benefit

Unreduced

If you retire early and are eligible for an unreduced pension your retirement benefit will be calculated as follows:

\$70.00 per month for each year of *credited service*.

Reduced

If you retire early when eligible for a reduced pension, your pension will be calculated as \$70.00 per month for each year of *credited service*. This amount is then reduced to be *actuarially equivalent* to reflect the expected longer pay-out period as a result of your early retirement.

Bridge Benefit

If you retire before age 65, you will also receive a bridge benefit payable until age 65.

If you are over age 60 or age 55 with 30 years of *continuous employment* and retire with Trustee consent, this bridge benefit is equal to:

- \$1,440 divided by 60 for each year of *credited service*.

If you are under age 60 and have less than 30 years of *continuous employment*, or retire without Trustee consent, this bridge benefit is equal to:

- \$1,440 divided by the number of months between your age at retirement and 65, multiplied by your total years of *credited service*.

If you have 30 years of *continuous employment* and retire before age 55 with Trustee consent, this bridge benefit is equal to:

- \$2,880 divided by the number of months between your age at retirement and 65, multiplied by your total years of *credited service*.

EXAMPLE

You are 61 on June 30, 2019 and have been continuously employed in the industry since July 2003, and you and your employer have made contributions as required for at least 800 hours each year.

Credited service from July 1, 2003 to June 30, 2019 = 16 years

Your pension = normal retirement benefit PLUS bridge benefit

Your pension = \$70.00 x 16 PLUS (\$1,440 ÷ 60 x 16)

Your pension to age 65 = \$1,120 PLUS \$384 per month

Your pension after age 65 = \$1,120 per month

The bridge benefit ends on the last day of the month in which you turn age 65 or when you die, whichever happens first.

All pension payments are made on the last day of the month, following the month of your retirement.

Disability Retirement Pension

If you meet the definition of *totally and permanently disabled* and qualify for a disability retirement pension, you will receive an unreduced pension which will include the bridge benefit.

If you qualify for the disability retirement pension, your payments will begin on the last day of the month in which your application is received, or in the month you start receiving disability benefits under the Canada Pension Plan, whichever is later.

The disability retirement benefit will continue while you remain *totally and permanently disabled*, are not in receipt of a disability income benefit from your employer and continue to be entitled to receive disability payments from the Canada Pension Plan. However, if the Canada Pension Plan disability payment stops after you turn age 60, the disability retirement pension from this Plan will continue.

Forms of Pension

The Plan provides for your pension to be paid in a number of different forms. All forms of pension are paid for your lifetime. However, you can also select a form of pension that guarantees your pension will be paid to your *spouse* or *beneficiary* after your death.

You must elect a form of pension before your retirement date and once your pension payments start, the form of pension cannot be changed. All the different forms of pension are *actuarial equivalent* to the normal form of pension.

Spouse

The person who has cohabited with you in a conjugal relationship for at least one year, or, if there is no such person, the person to whom you are married or with whom you are party to a void marriage.

Beneficiary

The person you have named to receive your pension payments in the event of your death – usually designated when you do not have a *spouse*.

Normal Form

The normal form of pension for a member with a *spouse* is a Joint and 60% Survivor form of pension. The normal form of pension for a member with no *spouse* is a Life Pension Guaranteed 10 Years.

Mandatory Joint and Survivor Pension

The *Pension Benefits Standards Act, 1985 (PBSA)* requires that if you have a *spouse* when you retire, you **must** elect a joint and survivor form of pension that provides at least 60% of your pension continues to your *spouse* after your death. However, your *spouse* may choose to sign a written waiver of his/her rights to a survivor pension, in which case you may elect a Life Only or a Life Pension Guaranteed 10 Years form of pension.

Pension Benefits Standards Act, 1985 (PBSA)

The federal legislation regulating the terms and the operations of this Plan.

Optional Forms of Pension

The optional forms of pension that are available are the following:

Life Only

Under the Life Only option, your pension is payable for as long as you live. Your pension will cease upon your death. No death benefit will be payable to your *beneficiary*. You are permitted to elect a Life Only form of pension in lieu of the normal form of pension regardless of whether you have a *spouse*, subject to your *spouse* providing the required waiver.

Joint and Survivor

Under the Joint and Survivor option, your pension is payable for as long as you live; however, after your death, a percentage of the pension you were receiving will be paid to your *spouse* for the remainder of their life. This person is referred to as your *joint pensioner*. If you have a *spouse*, you are permitted to elect a Joint and 100% Survivor form of pension in lieu of the normal form of pension for a member with a *spouse*.

On your retirement date, only your *spouse* may be designated as your *joint pensioner*.

Deciding which form of pension to choose is a personal decision that each member must make after careful consideration of the alternatives. Once the choice has been made and the pension payments have commenced, the elected form of pension cannot be changed. Therefore, you and your *spouse* are encouraged to meet with the Pension Administrator to discuss the options.

Joint Pensioner

Your *spouse* at the date of your retirement.

Forms of Bridge Benefit

The normal form of bridge benefit is a monthly benefit payable to the earliest of the end of the month in which your death or your 65th birthday occurs.

If you elect a Joint and Survivor form of pension, your bridge benefit will be paid as a joint and survivor form, with 60% continuing to your *spouse* after your death to the last day of the month in which you would have turned 65. The joint and 60% survivor bridge benefit is *actuarially equivalent* to the amount of bridge benefit under the normal form.

If You Leave the Plan Before Retirement

To understand what happens when you leave the Plan before retirement, you need to understand the terms *vested* and *locked-in*.

Vested

In pension plans, *vested* means that you have a right or entitlement to the pension you have earned under the terms of the Plan.

Locked-In

Locked-in means that your benefits under the Plan, including your required contributions with credited interest, cannot be cashed out. They must be used to provide retirement income. The *Pension Benefits Standards Act, 1985 (PBSA)* places this restriction on pension benefits to ensure that these tax-sheltered funds are used for retirement income purposes.

NOTE

Your benefits are *locked-in* once you have completed 2 years of *continuous employment* or your *commuted value* is greater than 20% of the Year's Maximum Pensionable Earnings (as determined by the Canada Revenue Agency).

Immediate Vesting

If you leave the industry and have *credited service* you are immediately *vested* and entitled to a deferred pension plus a deferred bridge benefit.

The deferred pension can commence at any time after you reach age 50 or age 45 if you have completed 30 years of *continuous employment*, but will be reduced to be *actuarially equivalent* to a pension commencing at age 60. The deferred pension is payable without reduction if you commence your payments after age 60. The pension you receive is based on:

- your *credited service* up to the date your membership in the Plan terminated, and
- the amount of benefit multiplied by each year of *credited service* in effect at your Plan membership termination date (\$70.00 effective January 1, 2019).

The bridge benefit you receive will be equal to \$1,440 divided by the number of months between your pension commencement date and the 1st of the month following your 65th birthday, multiplied by your total years of *credited service* earned to the date your membership in the Plan terminated.

Termination with No Credited Service

If your Plan membership terminates before you earn any *credited service* (*i.e. less than 800 hours*), you are not *vested* and are therefore entitled to a lump sum refund of your own contributions plus interest. In order to receive a refund, you must complete the appropriate form provided by the Pension Administrator.

Alternative Settlement of Termination Benefit

If your membership in the Plan is terminated prior to you becoming eligible for early retirement and you are entitled to receive a deferred pension, you may choose one of the following alternative settlements:

- transfer the *commuted value* of your pension benefits to the pension plan of your new employer, if that plan permits
- transfer the *commuted value* of your pension benefits to a *locked-in RRSP*, *life income fund*, or a restricted *life income fund*, or
- transfer the *commuted value* of your pension benefits to a Canadian life insurance company to purchase an immediate or deferred *life annuity*.

Commuted Value

The *actuarial equivalent* lump sum value of your pension benefit entitlement payable to you in the future as determined by the *actuary*. It is the amount of money required to be set aside to pay for a benefit in the future.

Life Annuity

A pension bought from a life insurance company that provides monthly payments for the lifetime of the buyer.

Life Income Fund or Restricted Life Income Fund

A *locked-in* version of a Registered Retirement Income Fund (RRIF). Unlike a RRIF:

- maximum and minimum annual withdrawals are legislated
- a *life annuity* must be purchased before you reach age 80.

Other Considerations

What happens if I stop being a union member?

If you continue to work for your employer but cease to be a part of the union, your Plan membership continues, however, your *credited service* will be frozen at the date you transfer to a non-union position with your employer. Your pension will be based on the benefit rate in effect at the date you transfer to a non-union position. Members who transferred to a non-union position prior to January 1, 2006 and continue to work for the same participating employer will receive a pension based on the benefit rate in effect at their date of termination of employment. If you want to voluntarily terminate your Plan membership at the date of your transfer to a non-union position, you must sign the appropriate form provided by the Pension Administrator.

In the Event of Your Death

If you die before retirement and after becoming *vested*, and you have a *spouse*, your *spouse* will receive a *spouse's* pension.

Spouse's Pension

Your *spouse* will receive a pension *actuarially equivalent* to 100% of the *commuted value* of your pension benefits earned to the date of your death.

The minimum *spouse's* pension payable is \$100 per month provided you are at least age 35 and have completed at least 10 consecutive years of *credited service* immediately before your death.

Your *spouse's* pension is payable monthly on the last day of each month starting on the last day of the month following the month in which your death occurs. For example, if you died on February 25, the first pension payment to your *spouse* would begin on March 31. Monthly payments of your *spouse's* pension will end on the last day of the month in which your *spouse* dies.

Alternative Settlement of Spouse's Pension

Your *spouse* may choose an alternative settlement of the monthly pension benefit. He or she may elect to:

- transfer the *commuted value* of the monthly pension to another registered pension plan, if that plan permits,
- transfer the *commuted value* to his or her *locked-in RRSP*, *Life Income Fund*, or *Restricted Life Income Fund*, or
- transfer the *commuted value* to a Canadian life insurance company to purchase an immediate or deferred *life annuity*.

If No Spouse

If you do not have a *spouse* on the date of your death, your *beneficiary* or estate will receive a lump sum cash payment, less withholding tax, equal to 100% of the *commuted value* of your pension benefits earned to the date of your death.

Not Vested

If you are not *vested* on the date of your death, your *spouse* or *beneficiary*, as applicable, will receive a lump sum refund of your own contributions, plus interest.

In the Event of Relationship Breakdown

If your relationship breaks down, your former *spouse* is entitled to a proportionate share of the pension you earned under the Plan during the relationship. For instance, if you joined the Plan in 1980, married in 1985 and divorced in 1995, your former *spouse* may be entitled to a portion of the pension you earned between 1985 and 1995. Under the *Family Law Act* (FLA), your former *spouse* is entitled to 50% of the pension you earned under the Plan during the marriage, unless you provide a written agreement or Court order providing for an alternative arrangement.

You or your former *spouse* should contact the Pension Administrator in writing to apply for the pension entitlement. The Pension Administrator will explain the Plan provisions and supply any required forms.

Under the FLA, your *spouse* must apply to the Plan Administrator to become a limited member to secure entitlement to a proportionate share of your pension. The Plan charges a \$750 administrative fee for this service.

If you remarry, your subsequent *spouse* is not entitled to any benefit assigned to your former *spouse*.

Tax Assistance for Retirement Savings

You are allowed to contribute to a RRSP, 18% of your earned income to the following maximums:

Year	RRSP Maximum
2010	\$22,000
2011	\$22,450
2012	\$22,970
2013	\$23,820
2014	\$24,270
2015	\$24,930
2016	\$25,370
2017	\$26,010
2018	\$26,230
2019	\$26,500
2020	\$27,230
2021	\$27,830
2022	*indexed

* Indexed to growth of average industrial wage in Canada.

Your maximum contribution to a RRSP will be:

**18% of your previous year's income
MINUS
your previous year's Pension Adjustment**

Your Pension Adjustment or PA for a year is simply the total amount of contributions you and your employer made to this Plan during that calendar year.

In order to understand how much money you can put in a RRSP, you need to understand how your RRSP limits and PA are calculated. The following example illustrates this:

EXAMPLE

2020 Earned Income	\$73,000
2020 RRSP Maximum Limit (18% of \$73,000)	\$13,140
Hours Worked in 2020	1,800
2020 PA (1,800 hours x [\$4.25 + \$6.94] per hour worked)	\$20,142
2021 RRSP Maximum Contribution: Max((\$13,140 - \$20,142), \$0)	\$0

Your PA is calculated for you by your employer and reported to Canada Revenue Agency on your T4. Canada Revenue Agency will use your income tax return and PA information to calculate how much you can contribute to a RRSP every year. Canada Revenue Agency will issue a notice advising you of your RRSP room each year.

Plan Administration

This Plan is administered by seven Trustees. Three of the Trustees are appointed by the union and three are appointed by the participating companies. There is also an independent chairman appointed by the Trustees.

The Trustees are responsible for the operation of the Plan and they are empowered to make all the decisions necessary for the administration of the Plan. To assist in the operation of the Plan, the Trustees have hired several professional organizations:

- a 3rd party administrator to maintain the member records and process benefits
- a trust company to have custody of the Plan assets,
- investment managers to direct the investments of the Plan,
- an *actuary* to value the Plan's liabilities and advise on amount of benefits,
- an auditor to verify the Plan's financial statements, and
- a legal team to review and advise on Plan documents.

Pension Administrator

The Trustees have engaged Mercer (Canada) Limited to perform 3rd party administration services. Among its other duties, Mercer (Canada) Limited is responsible for sending you an annual statement showing an estimate of your pension benefit at retirement. Your annual statement will be mailed to you at your home address on file by no later than June 30 of each year.

Interest Accumulation

The Plan requires that interest on your pension contributions be calculated at a rate equal to the yields of a 5 year personal fixed term chartered bank deposits.

Plan Wind-Up

Only after collaboration between the union and the Trustees can the Plan be discontinued. If this ever happens, your pension is safeguarded under the legislation the *PBSA*. The funds will be distributed in accordance with the terms of the Plan, subject to the approval of the Superintendent of Pensions.

Financial Position of the Plan

Please note that the Trustees have the authority to make amendments, if necessary, that reduce the pension benefits members have earned under the Plan. Under the Plan text, the Trustees are permitted to make amendments that reduce accrued pension benefits if an actuarial valuation shows the Plan to be in a deficit position. It is the Trustees' responsibility to reduce benefits in whatever equitable manner necessary to comply with the funding requirements of the *PBSA*.

Plan Member Information

As a member or former member of the British Columbia Terminal Elevator Industry Pension Plan, you are entitled to receive a written explanation outlining the terms and conditions of the Plan and any amendments to it. Explanations of amendments will be provided within six months of adoption.

Once in each *Plan year*, you and your *spouse* may request a copy of the text of the Plan, as well as any annual and financial information. Each year, you and your *spouse* will also be given a written statement showing the benefits to which you are entitled, the funded ratio of the Plan, etc.

In the event your participation in the Plan terminates, or in the event of your death, a written statement providing information on your pension will be provided to you or your *spouse* within 30 days of the Trustees being notified of the event.

If you have any questions regarding any information in this booklet, please contact the Grain Workers Union office or contact the Pension Administrator:

Trustees - British Columbia Terminal Elevator Industry Pension Plan
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Fax 604 683 4639
Email bcterminal@mercercan.com

Glossary

Actuarial Equivalence

Two values paid at different dates, in different forms or for different time frames that are equal after applying expected investment returns and mortality rates.

Actuary

A person who is a Fellow of the Canadian Institute of Actuaries or a firm employing such a person, who is appointed by the Trustees as the *actuary* of the Plan.

Beneficiary

The person you have named to receive your pension payments in the event of your death.

Commuted Value

The *actuarial equivalent* lump sum value of your pension benefit entitlement payable to you in the future as determined by the *actuary*. It is the amount of money required to be set aside to pay for a benefit in the future.

Continuous Employment

One year of *continuous employment* is a year during which:

- you were employed by a participating company in the British Columbia Elevator Industry Pension Plan
- you were a full-time official of the Union
- you were ill and in receipt of sickness benefits from your employer
- you were *totally disabled* and in receipt of disability income from your employer
- you were absent from work and in receipt of Workers' Compensation Benefits, or
- you were on active service with the Canadian Armed Forces.

Credited Service

Credited service is defined as service with your employer after you join the Plan.

Joint Pensioner

Your *spouse* at the date of your retirement.

Life Annuity

A pension bought from a life insurance company that provides monthly payments for the lifetime of the buyer.

Life Income Fund or Restricted Life Income Fund

A *locked-in* version of a Registered Retirement Income Fund (RRIF). Unlike a RRIF:

- maximum and minimum annual withdrawals are legislated.
- a *life annuity* must be purchased on or before you reach age 80.

Locked-In

Locked-in means that your benefits under the Plan, including your required contributions with credited interest, cannot be cashed out. They must be used to provide retirement income. The *Pension Benefits Standards Act, 1985 (PBSA)* places this restriction on pension benefits to ensure that these tax-sheltered funds are used for retirement income purposes.

Normal Retirement Date

The last day of the month in which you turn age 65.

Pension Benefits Standards Act, 1985 (PBSA)

The federal legislation regulating the terms and operations of this Plan.

Plan Year

12 months starting on January 1st and ending on December 31st.

Spouse

The person who has cohabited with you in a conjugal relationship for at least one year, or, if there is no such person, the person to whom you are married or with whom you are party to a void marriage.

Totally and Permanently Disabled

A disability in which you are physically or mentally impaired so that you are unable to engage in any form of employment for which you are reasonably suited and that expected to continue for your lifetime, certified in writing by a doctor.

Totally Disabled

A disability in which you are physically or mentally impaired so that you are unable to perform the duties of employment in which you were engaged prior to the impairment, certified in writing by a doctor.

Vested

In pension plans, *vested* means that you have a right or entitlement to the pension you have earned under the terms of the Plan.