



***INTERNATIONAL UNION OF
PAINTERS AND ALLIED TRADES
LOCAL 177***

***PENSION
PLAN***

**INTERNATIONAL UNION OF PAINTERS & ALLIED TRADES
LOCAL 177 PENSION PLAN**

To All Employees and Plan Participants:

The Board of Trustees of the International Union of Painters & Allied Trades Local 177 Pension Trust Fund is pleased to provide you with this Summary of the Rules and Regulations of your Pension Plan.

Effective July 1, 1991, the IUPAT Local 177 Pension Trust Fund was created by the merger of the Painters' Pension Trust Fund of Alberta, the Painters' Pension Trust Fund of Southern Alberta and the Glaziers and Glassworkers of Alberta Trust Fund.

This Summary incorporates the main features of the Pension Plan as of September 1, 2023. If you ceased being an active participant in the Pension Plan prior to September 1, 2023, some of the features may apply differently to you.

As you read through the Summary, you will learn how you become a Plan Participant, what your benefits are and how they are calculated.

The Pension Plan is governed by the *Employment Pension Plans Act* (Alberta), the *Income Tax Act* (Canada), the Trust Agreement between the Employers and the Union, and the Rules and Regulations. The main features of the Pension Plan are contained in the Rules and Regulations. If there is any difference between the Rules and Regulations and this Summary, the Rules and Regulations will apply.

Please read this Summary carefully and share it with your family. It is important you and your family are aware of your retirement benefits and the Plan's survivor protection features. We also suggest you keep this Summary handy for future reference.

If you have any questions or require any additional information about your Pension Plan and how it affects your pension rights and benefits, please direct them to the Fund Administrator or the Benefit Plan Administrator.

The Pension Plan represents important protection for you and your family and the Board of Trustees is proud to be involved in the continued operation of this valuable program.

September 1, 2023

**INTERNATIONAL UNION OF PAINTERS & ALLIED TRADES
LOCAL 177 PENSION TRUST FUND**
(CRA Registration No. 0581397)

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FUND ADMINISTRATOR

Ellement Consulting Group
10154 – 108 Street NW
Edmonton, Alberta T5J 1L3

Telephone: (587) 855-3122 Fax: (780) 452-5388
Toll Free: 1-877-641-3122
Website: www.paintersbenefits.ca Portal: painters.ca
Email: painters@element.ca

CONSULTANTS AND ACTUARIES

Segal

AUDITOR

KPMG LLP

INVESTMENT MANAGERS

CBRE Global Investors
Guardian Capital LP
Jarislowsky, Fraser LTD.
Pier 21 Asset Management Inc. (Carnegie)
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LEGAL COUNSEL

DLA Piper (Canada) LLP

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OBJECTIVE OF THE PLAN

The Pension Plan is designed to provide retirement benefits in the form of a life annuity to Employees from their retirement date to their date of death providing they have satisfied certain age and service requirements.

Under this Plan, there is a normal and early retirement pension as well as pre-retirement death benefits. A description of the types of benefits and when you are eligible to receive a pension, or a pre-retirement death benefit is payable, is provided later in this booklet.

The pensions provided by the Plan are in addition to Old Age Security benefits and retirement pensions provided by the Canada Pension Plan. These Canadian Income Security programs are subject to change from time to time and information should be secured from the nearest Government of Canada service centre in order to confirm those retirement benefits.

DEFINITIONS

There are some important terms used throughout this booklet that are clarified here. Full definitions are included in the Plan Rules and Regulations.

<u>Actuarial Equivalent</u>	the amount of an alternative benefit deemed by the Actuary to be equal in value to the given benefit.
<u>Actuary</u>	a person or a firm so appointed by the Board of Trustees who is, or employs, a Fellow of the Canadian Institute of Actuaries.
<u>Break in Service</u>	the failure to work a total of at least 350 hours over two consecutive years.
<u>Collective Agreement</u>	the applicable agreement establishing conditions of employment between the Employer and Local Union.
<u>Commutated Value</u>	the equivalent lump sum value of a future monthly benefit.
<u>Contributions</u>	the money paid to the Trust Fund in accordance with the terms of the Collective Agreement.
<u>Employee</u>	a person who performs work for an Employer and on whose behalf contributions are required to be made to the Trust Fund.

<u>Employer</u>	an Employer that contributes to the Trust Fund on your behalf in accordance with a Collective Agreement.
<u>Member</u>	an Employee who is participating in the Plan.
<u>Normal Retirement Age</u>	age 65.
<u>Pensioner</u>	a Member of the Plan, other than a Beneficiary, to whom a pension under this Plan is being paid.
<u>Portability Option</u>	the option to transfer the Commuted Value of your pension benefit to a locked-in RRSP or to another pension plan.
<u>Pension Partner</u>	a person who is married to a Member and has not been living separate and apart from the Member for three or more continuous years, or if there is no such person, a person who has lived with the Member in a conjugal relationship for a continuous period of at least three years, or a conjugal relationship of some permanence if there is a child of the relationship by birth or adoption.
<u>Trust Fund</u>	all of the Contributions received by the Trustees for the Employees and all of the investment income earned on the Contributions, which is held in trust by the Trustees for the benefit of the Employees, Pensioners and their Beneficiaries.
<u>Vested</u>	the permanent entitlement of an Employee under the Rules and Regulations to receive a benefit from this Plan.
<u>Year</u>	means the period from January 1 to December 31.
<u>Years of Vesting Service</u>	one year of vesting service is granted for each year in which you work 350 or more hours for a contributing Employer(s).

PLAN MEMBERSHIP

Any individual who is an Employee of a participating Employer on whose behalf the Employer is making contributions under the terms of the Collective Bargaining Agreement, shall become a Member of the Plan after working at least 300 hours over any consecutive three-month period. Upon joining the Plan, membership is backdated to January 1st of the Year in which the start of the three-month period commenced.

Membership in the Pension Plan will not give any Employee any right or claim to a pension unless a right to such pension has specifically accrued under the Plan.

CONTRIBUTIONS TO THE PLAN

All contributions required by the Plan are made by participating Employers.

VESTED STATUS

Prior to September 1, 2014, you became Vested in the Plan once you had accumulated at least two consecutive Years of Vesting Service. Starting from September 1, 2014, you are immediately Vested as soon as you meet the conditions to join the Plan. Once you are Vested, you have earned the right to receive a benefit from the Plan. In the past, if you incurred a Break in Service before becoming Vested, you did not receive any benefits from the Plan. Note that under the new rules, you will not get credit for any contributions sent to the Plan on your behalf until you meet the conditions to join the Plan.

BREAK IN SERVICE

You will incur a Break in Service if you do not work a total of at least 350 hours over two consecutive Years.

If you are under 53 years of age at the time of your Break in Service, you have the choice of receiving a pension from the Plan once you are old enough to retire, or you may transfer the Commuted Value of your Vested pension to a locked-in RRSP.

If you are 53 years of age or older at the time of your Break in Service, you can apply to retire anytime prior to the end of the year in which your turn seventy-one (71).

COMMENCEMENT OF BENEFITS

Benefits commence upon a Member's retirement, provided they have first made written application to the Board of Trustees. The following outlines the three types of retirement pension for which a Member may qualify.

(1) NORMAL RETIREMENT

The Normal Retirement date of a Member shall be the first day of the month coinciding with or next following the date on which such Member attains the age of sixty-five (65) years. Pension benefits will not automatically start when you reach age 65 - you must first submit a written application for benefits.

(2) EARLY RETIREMENT

A Member who is Vested may elect to retire on the first day of any month that is on or after the date on which such Member attains the age of fifty-three (53) years. The date an early retirement pension becomes payable shall not be prior to the date a properly completed application has been submitted.

(3) DELAYED RETIREMENT

You may continue to work after age sixty-five (65) and increase your pension, however, in accordance with government legislation you must begin to receive a pension no later than December 1st of the calendar year during which you attain the age of seventy-one (71) years.

RE-EMPLOYMENT OF A PENSIONER

If, after you begin receiving a pension, you return to work for a participating Employer, your Employer is required to contribute to the Trust Fund in accordance with the Collective Agreement. Because the *Income Tax Act* prohibits "double dipping" within the same defined benefit provision of a pension plan (i.e., being paid a pension and earning more pension at the same time), your pension will continue to be paid monthly but it will NOT be increased to reflect the additional contributions except as noted below. Some Collective Agreements now require that pension contributions instead be paid to the member as wages if the member is already in receipt of a pension for the Plan or is over the age of 71. Please contact your Local for more information in this type of situation.

FORMS OF RETIREMENT BENEFITS

The retirement benefits payable under the terms of this Plan shall be payable in the Normal Form unless a Member elects one of the optional forms subject to the Conditions of Election as outlined in the Rules and Regulations.

Normal Form: This is the standard or default form for members who do not have a pension partner. Under the Normal Form, you shall receive a monthly retirement benefit commencing on your retirement date and payable for your lifetime. In the event of your death, your beneficiary will continue to receive pension payments until a total of 60 payments, before and after your death, have been made.

Life Annuity No Guarantee: (Option A) You shall receive a retirement benefit commencing on your retirement date and payable for your lifetime, however, at your death no further payments will be made.

Life Annuity 10 Year Guarantee: (Option B) You shall receive a monthly retirement benefit commencing on your retirement date and payable for your lifetime. In the event of your death, your beneficiary will continue to receive pension payments until a total of 120 payments, before and after your death, have been made.

Life Annuity 15 Year Guarantee: (Option C) You shall receive a monthly retirement benefit commencing on your retirement date and payable for your lifetime. In the event of your death, your beneficiary will continue to receive pension payments until a total of 180 payments, before and after your death, have been made.

60% Joint & Survivor: (Option D) You shall receive a monthly retirement benefit commencing on your retirement date and payable for your lifetime. In the event of your death, your Pension Partner will receive a monthly benefit payable for their lifetime that is equal to 60% of your pension amount.

100% Joint & Survivor: (Option E) You shall receive a monthly retirement benefit commencing on your retirement date and payable for your lifetime. In the event of your death, your Pension Partner will receive a monthly benefit payable for their lifetime that is equal to 100% of your pension amount.

When any option is selected, the starting monthly payment is adjusted such that the option is Actuarially Equivalent in value. This means:

- (1) If Option A is selected, you will receive a slightly higher monthly pension than under the Normal Form, as Option A does not provide any type of survivor or beneficiary payments in the event of your death.
- (2) If Options B, C, D, or E are selected, you will receive a lower monthly pension while you are alive than under the Normal Form. Lower payments are made while you are alive to reflect the additional payments that may be made to your survivor and/or beneficiary following your death.

If you have a Pension Partner at the time of retirement, you are required by provincial legislation to receive your monthly pension in the form of the 60% Joint and Survivor pension (Option D) or the 100% Joint & Survivor pension (Option E). However, if your Pension Partner signs a waiver, you may elect to receive your pension in the Normal Form or as one of Options A, B, or C.

NORMAL RETIREMENT AMOUNT

The normal retirement pension is a monthly amount equal to the amount of pension you earned prior to your retirement. Over the years, depending on the financial status of the Plan, the Plan credited you with different rates of pension for each 1,000 hours worked or \$1,000 contributed on your behalf.

The total amount of pension you have accumulated to date is reported annually to you as part of the Annual Pension Statement mailed to you.

For contributions received on and after January 1, 2021, you will be credited with an additional \$14.45 of monthly pension for every \$1,000 contributed on your behalf.

EARLY RETIREMENT AMOUNT

Your early retirement pension is calculated the same way as the normal retirement pension but is then reduced based on your age at the time of retirement. The pension is reduced for early retirement because individuals retiring earlier will receive more pension payments than those retiring later.

If you retire early from active participation in the Plan before you incur a Break in Service, your Normal Retirement Amount is reduced by 1/2 of one percent for each month you are younger than 63 when you retire. Your reduction would be as follows:

Age	53	- 40% of Normal Retirement Amount
	54	- 46% of Normal Retirement Amount
	55	- 52% of Normal Retirement Amount
	56	- 58% of Normal Retirement Amount
	57	- 64% of Normal Retirement Amount
	58	- 70% of Normal Retirement Amount
	59	- 76% of Normal Retirement Amount
	60	- 82% of Normal Retirement Amount
	61	- 88% of Normal Retirement Amount
	62	- 94% of Normal Retirement Amount
	63+	- 100% of Normal Retirement Amount

If you retire early as a deferred pensioner, your pension is reduced actuarially to be of equivalent value to the pension payable to you assuming you retired on your Normal Retirement Date (age 65).

PRE-RETIREMENT DEATH BENEFITS

A death benefit is payable if the Member is Vested at the time of the Member's death, which now occurs immediately when any Member meets the conditions to join the Plan.

If the Member has a Pension Partner at the time of death, the Pension Partner will be eligible to transfer the Commuted Value of the death benefit to a locked-in RRSP. The amount of the Commuted Value shall be 60% of the Commuted Value of the Member's pension for benefits earned from July 1, 1992 to December 31, 1999 and 100% of the Commuted Value of the Member's pension for benefits earned on and after January 1, 2000.

If there is no Pension Partner at the time of death, or the Pension Partner had previously waived their entitlement, the benefit shall be payable to the Member's beneficiary, or if there is no beneficiary, then it shall be payable to the Member's estate.

SHORTENED LIFE EXPECTANCY

If a Member who has yet to retire has an illness or a disability that is certified by a medical practitioner to be terminal or to likely shorten the Member's life considerably, that Member may elect to convert all or part of their benefit entitlement to a series of payments for a fixed term to that Member. Alternatively, such a Member may elect to withdraw as a lump sum an amount equal to the Commuted Value of the benefit.

DEATH BENEFITS AFTER RETIREMENT

In the event of the death of a Pensioner, the Pensioner's Pension Partner or beneficiary shall only be entitled to receive death benefits based on the option he chose at the time of his retirement. For example, if the Pensioner elected the 100% Joint and Survivor option, his surviving Pension Partner as named on his application at the time he retired would then receive the same monthly pension for her lifetime after his death. However, if he elected the Life Annuity No Guarantee option, upon his death there would be no further benefits payable.

If the Pensioner elected either the 60% or the 100% joint and survivor option, but the Pension Partner dies after the pension begins to be paid but before the Pensioner dies, the pension ends when the Pensioner dies.

TERMINATION

Membership in the Plan will terminate on the first day of the year immediately following two consecutive Years in which you have not worked a total of at least 350 hours over those two years, this is called a Break in Service.

Upon termination, if you are Vested but are not of early retirement age (i.e., under age 53), you may elect to transfer the Commuted Value of your pension to another pension plan or to a locked-in RRSP. If you choose such a transfer, you are no longer entitled to any further benefits from the Plan. If at the time of transfer the Plan's solvency ratio is less than 100%, a portion of transfer may be held back.

If you do not elect to transfer your Commuted Value from the Plan, you may apply to commence your pension anytime after you have attained age 53. If you retire on or after age 65, the full amount of your Normal Retirement Amount will be paid. If you retire prior to age 65, your early retirement pension is calculated the same way as the normal retirement pension but is then reduced based your age at the time of retirement. The pension is reduced for early retirement because individuals retiring earlier will receive more pension payments than those retiring later.

The current¹ Actuarial Equivalent factors are as follows:

Age	53	- 40.1% of the Normal Retirement Amount
	54	- 43.0% of the Normal Retirement Amount
	55	- 46.1% of the Normal Retirement Amount
	56	- 49.6% of the Normal Retirement Amount
	57	- 53.3% of the Normal Retirement Amount
	58	- 57.4% of the Normal Retirement Amount
	59	- 61.9% of the Normal Retirement Amount
	60	- 66.8% of the Normal Retirement Amount
	61	- 72.2% of the Normal Retirement Amount
	62	- 78.1% of the Normal Retirement Amount
	63	- 84.7% of the Normal Retirement Amount
	64	- 91.9% of the Normal Retirement Amount
	65+	- 100.0% of the Normal Retirement Amount

¹ These factors can change from time to time on the advice of the Actuary in order to reflect changes in mortality rates and interest rates.

A BRIEF QUESTION AND ANSWER SUMMARY OF THE PLAN PROVISIONS

WHEN AM I VESTED UNDER THE PLAN?

Effective September 1, 2014, you are immediately Vested once you meet the conditions to join the Plan. Once you are Vested, you will remain entitled to a pension whether or not you remain working.

DOES THIS PLAN OFFER A DISABILITY PENSION?

A disability pension is not one of the provisions in this Plan. If a Member is totally disabled, a member of the union and in receipt of disability benefits from the Canada Pension Plan, he may be eligible to accumulate additional service credits up to a maximum of 350 hours per calendar year.

WHEN WILL MY PENSION BENEFITS BEGIN?

The normal retirement pension begins the later of the month you reach age 65 or the month following the date you last worked or the month following receipt of your written application.

The early retirement pension begins the later of the month following the month you reach age 53, the month following receipt of your written application or the month following the date you last worked.

You are not required to cease work in covered employment to commence receiving your pension.

HOW ARE THE PENSION BENEFITS PAID?

The pension payments are payable on the first of each month for the month due by direct deposit into your bank account.

WHEN SHOULD THE APPLICATION FOR PENSION BE FILED?

Your application must be filed with the Fund Administrator at least one month in advance of your expected retirement date, but no more than three months in advance.

WILL PROOF OF AGE BE REQUIRED?

Yes, all applications require an acceptable form of proof of age in accordance with standards established by the Trustees.

MUST I RETIRE AT AGE 65?

No, retirement is completely voluntary. You may continue to work after age 65, however, your pension by law must start no later than December 1st of the year in which you have your 71st birthday. If you work past age 71, you will not earn any additional pension service.

CAN I SIGN OVER MY BENEFITS?

No, the pension plan contains provisions prohibiting any assignment, sale or attachment of this pension benefit. It cannot be used as security for a loan.

In the two circumstances noted below, a Court Order or Matrimonial Property Order or Agreement may be issued to assign or attach your pension entitlement.

The *Employment Pension Plans Act* contains specific rules for dividing pensions on marriage breakdown. The Act gives the spouse the right to have his or her share of the Member's pension entitlement (which cannot exceed 50% of the entitlement earned during the period of the marriage) transferred out of the pension plan at the time of a marriage breakdown. You should consult a lawyer about your rights and responsibilities in the event of a marriage breakdown.

The *Maintenance Enforcement Act* contains provisions that provide for the potential attachment of an individual's entitlement if they have unpaid child maintenance payments.

DO THESE PENSION BENEFITS AFFECT THE CANADA PENSION PLAN?

No, the benefits payable from this pension plan are in addition to any benefits you may receive from the Canada Pension Plan, and will have no impact on what you will receive from the Canada Pension Plan.

HOW WILL I KNOW WHAT MY BENEFITS ARE?

You should receive an annual pension statement in approximately June of each year that will detail your hours and service and provide your status with the Plan.

If you do not receive an annual pension statement, please check with the Fund Administrator to ensure the address they have on file is correct.