



**RETIREMENT
AHEAD**



**CONSTRUCTION MAINTENANCE
AND ALLIED WORKERS**

The CMAW Defined Contribution Pension Plan



www.cmaaw.ca/members-info/pension

ADDRESS ALL BENEFIT PLAN INQUIRIES TO:

The Administrator | The CMAW Defined Contribution Pension Plan

D.A. Townley & Associates Ltd.

#160 – 4400 Dominion Street | Burnaby, BC V5G 4G3

T: 604.299.7482 | F: 604.299.0842 | Toll Free: 1.800.663.1356



**CONSTRUCTION MAINTENANCE
AND ALLIED WORKERS**

CMAW Bargaining Council

Hours: Monday to Friday, 8:30 am - 4:00 pm

Telephone: 604.437.0471 | Fax: 604.437.1110

Email: council@cmaw.ca | Webpage: CMAW.ca

Twitter: [@cmawunion](https://twitter.com/cmawunion)

Established in 2004, CMAW's role is to establish and maintain the best possible standards of pay, benefits, and working conditions for members; to organize the unorganized; to promote progressive labour and human rights legislation; to cooperate with other unions and organizations to achieve these aims; to encourage social unionism; to promote and champion workers' legitimate struggles; to provide aid and assistance to members so that they may share in benefits of collective agreements and favourable employment legislation; and to inform and educate workers on the principles and policies of the organization and the benefits they may achieve through organization and collective bargaining.

Contacts:

President, Jan Noster | jannoster@yahoo.ca

Secretary Treasurer, Paul Nedelec | pnedelec@cmaw.ca

CMAW Bargaining Council | council@cmaw.ca



Privacy Policy

The Trustees of The CMAW Defined Contribution Pension Plan have adopted a Privacy Policy which reflects our commitment to safeguarding our Members' personal information.

In summary:

- Information about you and your communications with the Plan are kept confidential.
- Neither the Administrator, nor the Plan will sell your personal information.
- Information about you is gathered lawfully and fairly.
- Information about you is gathered, used, or disclosed only to provide you with benefits and services as outlined in your plan documents.
- We maintain appropriate procedures to ensure that personal information in our possession is accurate and, where necessary, kept up to date. You are entitled to seek a correction of your personal information if you believe that the information held by the Plan is not accurate.
- You may access your personal information, subject to limited exceptions and conditions.
- Personal information is not disclosed without Member's permission except in limited circumstances as permitted or required by law. However, the Administrator may share personal information with the Plan's actuaries, agents, consultants or service providers in connection with providing, administering, adjudicating, costing, financially managing and servicing the Member's plans and benefit programs.
- Where we choose to have certain services, such as actuarial valuation, provided by third parties, we take all reasonable precautions regarding the practices employed by the service provider to protect your personal information. We ask that they, in turn, undertake to honour the Plan's privacy policy and applicable legislation.
- To protect your personal information against unauthorized access, disclosure, copying, use or modification, theft or accidental loss, the Plan will maintain appropriate security mechanisms.

NOTICE: This booklet describes the Plan in a simple and easy to read manner. It does not purport to be the full text of the Plan. If there is any omission in this booklet or a conflict between this booklet and the wording in the Plan text and Trust Agreement, the Plan text and Trust Agreement will govern. Subsequent to the printing of this booklet, Plan amendments may occur. For complete clarification of the benefits that you qualify for, please contact the Plan Administrator.

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Introduction

Collective Agreements with signatory employers specify that an hourly contribution must be paid to the Pension Plan.

A Pension Plan has been established and registered with Canada Revenue Agency and the Alberta Superintendent of Pensions. The Pension Plan is administered by a Board of Trustees appointed by the Union. The day to day administration of the Plan is carried out by D.A. Townley & Associates Ltd.

This booklet has been prepared by the Trustees and contains details of benefits provided by the Plan. It is meant to answer many questions you may have about the Plan.

Each year you will receive a statement of benefits accumulated to date under the Plan. With it, you can verify that all contributions have been made properly by your employer. You must inform the Plan Administrator if there are any discrepancies or errors in your statement of benefits.

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Plan History and Objective

When was the Plan established?

The Plan went into effect on January 1, 2009. The Plan is a Defined Contribution (money purchase) Plan.

What is the objective of the Plan?

The Plan is designed to provide monthly income for life to Members who retire under the Plan. Additionally, benefits are payable if you leave the Plan or die prior to retirement.

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Eligibility

Who is eligible for membership in the Plan?

All employees (with the exception of those individuals who are members of the Commission de la construction du Québec) who are working under the terms of a Collective Agreement with signatory employers shall automatically participate in the Plan from the first date of their employment with the participating employer (subject to the enrolment requirements set out below).

If I am eligible, do I HAVE to join?

Yes. To become a member of the Plan, you must complete and sign an enrolment form. Once the Administrator receives the completed and signed enrolment form, contributions can begin to the Plan.

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What if I previously contributed to The Registered Pension Plan for the The CMAW Defined Contribution Pension Plan, then terminated from the Plan and I am now re-employed by another participating employer?

You will be deemed to be terminated from the Plan when you have worked in total less than 350 covered hours of employment during a period of two consecutive Plan fiscal years.

If upon termination, you have transferred your money out of the Plan, you will be treated as a new employee and will need to re-enroll in the Plan.

If, at the time of your previous termination, you chose not to transfer your money out of the Plan, you will be treated as a continuing member and will not need to re-enroll.

Service

How do I accrue service in the Plan?

You will be credited with a Year of Plan Membership (also called a Year of Credited Service) for each year in which you work at least 175 hours.



Contributions

How much does my employer contribute to the Plan?

Your employer contributes a fixed percentage of your basic hourly wage, as set out in the Collective Agreement.

Am I required to contribute to the Plan?

Certain members may be required to contribute to the Plan, as set out in the Collective Agreement.

May I make additional contributions to the Plan?

Yes. The Plan accepts personal voluntary contributions from you provided that in any calendar year, they do not exceed the lesser of 18% of your earnings for the year and the Money Purchase Limit under the Income Tax Act (this limit is \$22,970 for 2011 and \$23,820 for 2012), reduced by the sum of contributions paid by the employer on your behalf and any additional RRSP contributions that you may have made outside the Plan.

Do my contributions earn interest?

Yes. Interest is credited to your account at a rate equal to the rate the fund earns, less the costs of running the Plan. Interest can be positive or negative.

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Retirement

When can I retire on pension?

You can retire at any time after your 55th birthday, assuming you have retired from active employment. You must retire from the Plan before the end of the year in which you turn 71.

What if I retire and am later re-hired by a contributing employer?

You will be treated as if you were a new member of the Plan.

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Retirement Income

How much pension will I receive?

Retirement benefits are based upon the total contributions made to the Plan and the total amount of interest earned on those contributions. This total amount will be used to buy you a pension, in the form of an annuity, which will provide you with retirement income.

What if I don't want to receive an annuity?

You will be given a number of options when you retire, including the annuity. If you do not wish an annuity to be purchased on your behalf, you will be able to transfer your money into a locked-in retirement account (LIRA), registered pension plan (RPP), or (provided you are at least 50 years of age) use it to buy a Life Income Fund (LIF). Your money will be deemed to be "locked-in".

What does "locked-in" mean?

Locked-in money is money that can only be used to buy your retirement income. It will never be available to you in cash.



Are any pensions not “locked-in”?

Total contributions with interest less than a certain percentage of the Canada Pension Plan Yearly Maximum Pensionable Earnings ceiling (\$50,100 in 2012) can be paid out in a lump sum. You must pay withholding and income taxes on any cash payment you receive from the Plan.

If you retire in Alberta, and transfer your benefit to commence receiving a retirement income, you are able to elect to unlock up to 50% of your balance on a one time only basis, provided you are at least 50 years of age. To do so, you must complete the applicable forms and if you have a Spouse, he or she must complete the applicable forms also.

What is a Life Income Fund?

It is a locked-in registered retirement income fund (RRIF) contract from which you must receive payments each year (starting not earlier than age 50 nor later than December 31 of the year you turn 71).

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Forms of Pension

How long does my pension continue?

If you purchase a pension (also called an annuity) at retirement, it will provide you with payments until you die. After your death, depending on the form of pension you choose, your spouse may also be provided with income, either equal in size to the payment you received or at a lesser level, depending on what you decide.

What if I choose a LIF?

Canada Revenue Agency has established a minimum and a maximum annual withdrawal amount for LIF's. You can choose any level of income between the two.

Are there any special rules that I need to be aware of?

If you have a Spouse, you must, by law, receive your pension in a form that will provide him or her with at least 60% of the pension that was in payment to you during your retirement. Your Spouse can choose to waive his or her right to this mandatory form, and allow you to choose some other form of income.

Your "Spouse" means, in relation to another person:

- (A) a person who, at the relevant time, was married to that other person and had not been living separate and apart from that other person for 3 or more consecutive years; or
 - (B) if there is no person to whom paragraph (a) applies, a person who, immediately preceding the relevant time, had lived with that other person in a conjugal relationship:
 - i. for a continuous period of at least 3 years; or
 - ii. of some permanence, if there is a child of the relationship by birth or adoption.
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Termination of Employment Before Retirement

What happens to my pension if I stop working for a contributing employer?

You have a choice. You may:

- (A) leave your contributions in the Plan and receive a pension or transfer at any time prior to the end of the calendar year in which you turn 71 (a “deferred pension”); or
- (B) transfer the accumulated value of your contributions together with credited interest to a LIRA or, under certain statutory conditions, to another RPP or (provided you are at least 50 years of age) to purchase a deferred life annuity or a LIF.

How long do I have to wait to access my pension?

You will be automatically deemed to be terminated from the Plan when you have worked in total less than 350 covered hours of employment during a period of two consecutive Plan fiscal years.

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Death Before Retirement

What is the death benefit if I die before retirement?

The death benefit is equal to the sum of all contributions made to your account, together with interest credited to your account.

If you have a spouse and she or he has not filed a spousal waiver, your spouse may elect to transfer the death benefit to a LIRA or, under certain statutory conditions, to another RPP or (provided the Spouse is at least 50 years of age) use it to purchase a deferred life annuity or LIF. He or she can also use it to buy an annuity to provide lifetime retirement income.

If you do not have a spouse, or if your spouse has filed a spousal waiver, your beneficiary (or where you have no beneficiary, your estate) will receive the benefit above. This money will be taxable in their hands.

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Division of Benefits on Marriage Breakdown

What happens to my benefits if my marriage breaks down?

Where required by the applicable family law legislation in your province of employment, your benefit will be divided between you and your former spouse and your account balances will be reduced. You and your former spouse will be required to pay an administrative fee.

Should you suffer a breakdown of your marriage, talk to your legal advisor and ask for advice with respect to your pension assets.

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Amendment or Termination of the Plan

Can the Plan be changed or terminated?

Yes, the Trustees could cause the Plan to be terminated. However, it is their intention that the Plan be maintained indefinitely.

The Trustees also reserve the right to amend the Plan.

Do I have any protection from future amendments?

Yes, amendments cannot cause the value of benefits accrued to the date of amendment to be reduced.

What happens if the Plan is terminated?

In the unlikely event of Plan termination, you would be entitled to the balance of your member account, together with credited interest.

Can a Participating Employer ever get a refund of pension fund money?

Only if they have over-contributed to the Plan.

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Operation of the Plan

How is the Plan run?

The **Trustees** (see next question) interpret the Plan, provide certain guidelines to the Plan administrator, custodian, investment manager and oversee the running of the Plan.

The **Plan Administrator** (currently D.A.Townley and Associates Ltd) administers the Plan by keeping records of service and contributions and by calculating pensions and benefits under the Plan.

The **Custodian of assets** (currently RBC Dexia Investor Services) holds the pension fund assets and invests them following instructions from the investment manager. All contributions are made to the custodian, and all pensions and benefits are paid by the custodian.

The **Investment Manager** (currently Leith Wheeler Investment Counsel Ltd) makes investment decisions within guidelines and objectives set by the Trustees.

The **Plan** is subject to the rules for registration under the Income Tax Act (Canada) and the Employment Pension Plans Act (Alberta) and is subject to change from time to time when those rules change.

How is the Board of Trustees set up?

The Union appoints 5 Trustees to the Board of Trustees. The Trustees meet at least 2 times a year.

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More Information

How can I learn more about the Plan?

In addition to this written explanation, Plan members are entitled to read the complete Plan text and the trust agreement. These documents are on file at the Plan Administrator's office.

If you have any questions or require clarification of any pension matter, contact the Administrator (D.A. Townley) at 604.299.7482 or 1.800.663.1356 by phone, or e-mail the Plan at pension2@datownley.com.

If you wish to contact the Trustees, you can write them, care of the Plan Administrator's office or the Union office.

Are contributions deductible?

Are benefits taxable?

Benefits are included in your income for income tax purposes when they are paid (except for lump sums transferred directly to another registered pension plan or Registered Retirement Savings Account).

Employer contributions to the Plan, in respect of your hours worked in a taxation year, are not included in your taxable income for the year. Contributions that **you** make to the Plan in a taxation year are deducted from your income for that year.

Each year a "pension adjustment" (PA) under this Plan is calculated for income tax purposes.

The PA will use up part of your RRSP

contribution room. The PA each year is equal to the total of all contributions made to the Plan in your name. It is reported on your T4 slip provided by your employer.

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Exercising Your Rights

How do I exercise my rights?

The following rights under the Plan can be exercised at appropriate times:

- to join
- to elect optional forms of benefit
- to commence benefits
- and to obtain information.

In each case, you should contact the Plan Administrator, D.A. Townley & Associates, at 604.299.7482 or 1.800.663.1356. In most cases, you will be provided with the appropriate forms to complete. You must complete the forms and return them to the Administrator to initiate action. In the following cases, there are time limits on exercising your options:

Situation	Deadline
New hire joins Plan	Immediately
Retirement	At least 60 days notice
Elect optional form of pension	60 days prior to election
Termination benefits election	Within 90 days after termination of employment

[illegible]



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