



THE PLAN OFFICE OF THE  
**IWA-FOREST INDUSTRY  
PENSION & LTD PLANS**

**IWA-FOREST INDUSTRY PENSION PLAN  
PRE-RETIREMENT SURVIVING SPOUSE  
INSTRUCTION BOOKLET**

Read this booklet to learn about your options as a surviving spouse and know which forms and documents to return to the Plan Office.



# TABLE OF CONTENTS

- Spousal benefits for pre-retirement death..... 2
  
- Option 1—overview**..... 3
  - Option 1a:** Receive a monthly lifetime pension from the plan immediately ..... 4
  - Option 1b:** Receive a monthly lifetime pension from the plan at a later date ..... 5
  
- Option 2:** Transfer your lump-sum benefit out of the plan: an overview ..... 6
  - Locked-in provision..... 7
  - Option 2a:** Transfer to an annuity ..... 8
  - Option 2b:** Transfer to your employer pension plan ..... 9
  - Option 2c:** Transfer to a registered retirement account ..... 10
  - Option 2d:** Transfer out your lump-sum benefit as cash ..... 11
  
- Acceptable proof of age ..... 12
  
- Where to send your forms..... 13

## SPOUSAL BENEFITS FOR PRE-RETIREMENT DEATH

Surviving spouses of IWA–Forest Industry Pension Plan members are entitled to 100% of the value of their deceased spouse’s pension. As a surviving spouse, you can choose to:

1. Receive a monthly pension from the plan (immediately or at a later date)  
or
2. Transfer your lump-sum benefit out of the plan

Depending on the amount of your lump-sum benefit, you can choose to transfer your benefit into an (2a) annuity, (2b) your employer pension plan, (2c) a registered retirement account, or withdraw it as (2d) cash, less tax.

Before making a decision, take the time to understand all your options thoroughly. If you have any questions, contact the Plan Office or seek the help of an independent financial advisor.

### Income tax

Your pension is considered taxable income. This means that you need to pay tax on your monthly pension in retirement or any payouts from the plan. If you transfer your benefit to a registered retirement account or annuity, you will pay income tax on any withdrawals.

### Receiving your benefit

Once you have decided which option you would like to choose, complete and return the required forms and documents to the Plan Office. We will process your application within 90 days of receiving all completed documents.

## OPTION 1—OVERVIEW

### Receive a monthly lifetime pension from the plan

You are entitled to 100% of the value of your deceased spouse's pension. Your monthly benefit is calculated according to your age, applicable interest rates, and the amount of pension that your spouse had accumulated in the plan.

#### **Receiving a pension from the plan has the following advantages:**

- Because you'll receive a pension for your lifetime, you won't risk outliving your savings. You can count on receiving the same amount every month, for all of your years in retirement.
- Your funds are actively managed by professional investment managers with years of experience, all at a low cost. In fact, our investment management costs are usually lower than most group RRSPs.
- Plus, as a large plan with many assets, we're able to select investments that are not typically available to retail investors. This means a more diversified portfolio and greater potential for growth.

## OPTION 1a:

Receive a monthly lifetime pension from the plan *immediately*

Your monthly payments will begin the first of the month after the death of your spouse and will continue for your lifetime. Any missed payments will be paid retroactively. You can choose to have your pension cheque mailed to you, or you can opt to have your monthly pension deposited directly into your bank account.

### TO COMPLETE AND RETURN

1. *Election of death benefit option form*

- Select *Option 1a*

2. *Direct deposit form*

3. *TD1 personal tax credit return*

This form is used to calculate the amount of tax that needs to be deducted from your pension

4. A copy of your *proof of age document*

5. A copy of a *name change document*, such as a *marriage certificate* (if your *proof of age document* does not show your current name)

## OPTION 1b:

Receive a monthly lifetime pension from the plan *at a later date*

You can choose to receive a pension from the plan, but delay the date you begin receiving payments. The longer you delay payment, the greater your monthly pension will be, so you can choose this option as a way to increase your monthly pension in the future.

Be sure to notify the Plan Office three months before you wish to begin receiving your pension. Your monthly payments will begin the first day of the month following the date we receive all required documents.

### TO COMPLETE AND RETURN

1. *Election of death benefit option form*
  - Select *Option 1b*
2. A copy of your *proof of age document*
3. A copy of a *name change document*, such as a *marriage certificate* (if your *proof of age document* does not show your current name)

## OPTION 2—OVERVIEW

### Transfer your lump-sum benefit out of the plan

If you do not wish to receive a pension from the plan in retirement, you may choose to transfer your benefit out of the plan and into:

- (2a) an annuity .....page 8
- (2b) another pension plan.....page 9
- (2c) a registered retirement account .....page 10
- (2d) as cash\*, less tax.....page 11

### Lump-sum benefit

Your lump-sum benefit is calculated as the amount of money that would have to be invested today to pay the pension your spouse was entitled to at age 65, based on your spouse's age at death, applicable interest rates and other assumptions in accordance with the *Pension Benefits Standards Act*.

For example, if your spouse died at 40 years of age and had earned a monthly pension benefit of \$500 beginning at age 65, your lump-sum benefit would be approximately \$14,800. This is the amount you would need to invest today, for the next 25 years to receive a \$500 monthly pension benefit for the rest of your life.



## \*LOCKED-IN PROVISION

- As legislated by the *Pension Benefits Standards Act*, if your lump-sum benefit is greater than the legislated threshold, you cannot withdraw it as cash. Instead, it must remain either in the plan, or in another locked-in retirement account. Either way, you will only be able to access your benefit when you retire and no earlier than age 55.
- The threshold is calculated as 20% of the year's maximum pensionable earnings (YMPE). Refer to your break in service statement to see if this applies to you, and visit [cra-arc.gc.ca/tx/llrts](https://cra-arc.gc.ca/tx/llrts) for more information.
- If your benefit is below the legislated threshold, you may still choose to transfer your benefit into a locked-in retirement account, but are not required to do so. In this case, you would not need to submit a locked-in agreement.

## OPTION 2a:

### Transfer your lump-sum benefit to an annuity

Similar to a pension plan, an annuity provides a stream of payments, typically for your lifetime. These payments are calculated according to your age, current interest rates, and the type of annuity you choose.

You can purchase an annuity from an insurance company or other financial institution. Because annuities are usually conservative and assume a low rate of return, they can be fairly costly to purchase. Be sure to compare any annuity payments to your estimated monthly pension payments from the plan.

**Locked-in provision:** If your benefit is greater than the legislated threshold, by law your benefit is locked-in. This means that you cannot receive any annuity payments prior to retirement age, the earliest of which is 55.

### TO COMPLETE AND RETURN

1. *Election of death benefit option form*

Select Option 2a in Section C

2. *T2151 - direct transfer request*

- You complete Part A
- Your financial institution must complete Part B
- You must sign Part B - Applicant's signature
- The Plan Office will complete Part C
- Once your benefit has been transferred, the receiving institution will complete Part D

3. *Locked-in agreement* (if applicable)

If your benefit is greater than the legislated threshold, your financial institution must complete this agreement, to ensure that your benefit will be locked-in until at least age 55

4. A copy of your *proof of age document*

5. A copy of a *name change document*, such as a *marriage certificate* (if your *proof of age* does not show your current name)

## OPTION 2b:

### Transfer your lump-sum benefit to your employer pension plan

If you work for an employer that has its own pension plan, you may wish to transfer your benefit into that plan, and receive a pension in retirement from that plan.

Note that not all plans accept incoming transfers, so be sure to check with your employer pension plan first, to determine whether or not it accepts transfers.

**Locked-in provision:** If your benefit is greater than the legislated threshold, by law your benefit is locked-in. Your employer pension plan will need to certify that your funds will remain locked-in and inaccessible until you reach retirement age (55 at the earliest), if you terminate your employment before retirement.

#### TO COMPLETE AND RETURN

1. *A letter from your employer's pension plan* stating that it accepts incoming transfers.
2. *Election of death benefit option form*
  - Select Option 2b in Section C
3. *T2151 - direct transfer request*
  - You complete Part A
  - Your employer pension plan must complete Part B
  - You must sign Part B - Applicant's signature
  - The Plan Office will complete Part C
  - Once your benefit has been transferred, the receiving institution will complete Part D
4. *Locked-in agreement (if applicable)*

If your benefit is greater than the legislated threshold, your employer pension plan must complete this agreement, to ensure that your benefit will be locked-in until at least age 55
5. A copy of your *proof of age document*
6. A copy of a *name change document*, such as a *marriage certificate* (if your *proof of age* does not show your current name)

## OPTION 2c:

### Transfer your lump-sum benefit to registered retirement account

Like pension plans, registered retirement accounts such as RRSPs shelter your money from tax until you withdraw your funds in retirement, when you are taxed at your marginal rate.

You can choose what kind of investments to keep in a registered retirement account, from cash and term deposits to mutual funds. Note that some investment options (and mutual funds in particular) offered by financial institutions can have high investment fees. Make sure you know what all the fees are before deciding if this option is right for you.

**Locked-in provision:** If your benefit is greater than the legislated threshold, by law your benefit is locked-in. This means that you cannot make withdrawals from your registered retirement account before you reach retirement age (55 at the earliest). If your benefit is below the legislated threshold, you may still choose to transfer your benefit into a locked-in retirement account, but are not required to do so.

### TO COMPLETE AND RETURN

1. *Election of death benefit option form*

Select Option 2c in Section C

2. *T2151 - direct transfer request*

You complete Part A

Your financial institution must complete Part B

You must sign Part B - Applicant's signature

The Plan Office will complete Part C

Once your benefit has been transferred, the receiving financial institution will complete Part D

3. *Locked-in agreement* (if applicable)

If your benefit is greater than the legislated threshold, your financial institution must complete this agreement, to ensure that your benefit will be locked-in until at least age 55

4. A copy of your *proof of age document*

A copy of a name change document, such as a marriage certificate (if your proof of age does not show your current name)

## OPTION 2d:

### Transfer your lump-sum benefit out as a cash payout

If your benefit is less than the legislated threshold, you can take your lump-sum benefit as cash, less income tax. Refer to your deceased member statement to see if this applies to you.

Once the Plan Office has received your completed forms, we will mail you a cheque. Next year in February, we will mail you a T4A. Use this T4A to complete your income tax return.

#### TO COMPLETE AND RETURN

1. *Election of death benefit option form*  
Select Option 2d in Section C
2. A copy of your *proof of age document*
3. A copy of a *name change document*, such as a *marriage certificate* (if your *proof of age* does not show your current name)

## ACCEPTABLE PROOF OF AGE DOCUMENTS

### ACCEPTABLE PROOF OF AGE DOCUMENTS

- ✓ *Birth certificate*
- ✓ *Valid Canadian passport*
- ✓ *Citizenship card*
- ✓ *Valid NEXUS card*
- ✓ *Driver's license*

### NAME CHANGE DOCUMENT

If your *proof of age document* does not show your current name, you must also provide any *name change documentation* (such as a *marriage certificate*).

## WHERE TO SEND YOUR FORMS

**Plan Office  
General inquiries**

2100-3777 Kingsway  
Burnaby BC V5H 3Z7  
T 604.433.6310  
TF 1.800.663.4384  
F 604.433.0518

[IWAFFIBP.CA](http://IWAFFIBP.CA)

**Pension inquiries**

T 604.433.5862  
TF 1.800.913.0022  
[pension@iwafibp.ca](mailto:pension@iwafibp.ca)

**LTD and Rehabilitation  
inquiries**

T 604.433.6310  
[ltdrehab@iwafibp.ca](mailto:ltdrehab@iwafibp.ca)

**Employer and contributions  
inquiries**

[contributions@iwafibp.ca](mailto:contributions@iwafibp.ca)

**Service feedback**

Questions or comments about the service you received from the Plan Office? Send your feedback to [service@iwafibp.ca](mailto:service@iwafibp.ca) or visit [iwafibp.ca/service](http://iwafibp.ca/service).



## HOW TO CONTACT US

### **Plan Office**

#### **General inquiries**

2100-3777 Kingsway

Burnaby BC V5H 3Z7

T 604.433.6310

TF 1.800.663.4384

F 604.433.0518

**IWAFIBP.CA**

### **Pension inquiries**

T 604.433.5862

TF 1.800.913.0022

[pension@iwafibp.ca](mailto:pension@iwafibp.ca)

### **LTD and Rehabilitation inquiries**

T 604.433.6310

[ltrehab@iwafibp.ca](mailto:ltrehab@iwafibp.ca)

### **Employer and contributions inquiries**

[contributions@iwafibp.ca](mailto:contributions@iwafibp.ca)

### **Service feedback**

Questions or comments about the service you received from the Plan Office? Send your feedback to [service@iwafibp.ca](mailto:service@iwafibp.ca) or visit [iwafibp.ca/service](http://iwafibp.ca/service).