

IWA - Forest Industry Pension Plan

Administration Manual

(Online version February 2002)

We administer:

IWA - Forest Industry Pension Plan
IWA - Forest Industry Long Term Disability Plan ("LTD Plan")

We also administer:

IWA - Forest Industry Safety and Health Research and Education Trust ("H & S Fund")
IWA - Forest Industry Education Trust Fund

The Plan Office is located at:

Suite 150 – 2955 Virtual Way,
Vancouver BC, V5M 4X6

Our office is part of the Broadway Tech Centre complex, located on the south side of Broadway, bordered by Renfrew Street to the West and Nootka Street on the East. We are located on the ground floor of 2955 Virtual Way. There is parking available underneath our office building. A ten-minute walk from the Renfrew Skytrain station, east along Hebb Avenue, and north on Nootka will bring you to Virtual Way.

Phone: (604) 433-6310
Toll Free in BC: 1-800-663-4384
Fax: (604) 433-0518

You can e-mail the Collections Department at collections@iwafibp.ca

Members with questions about their individual pensions, should call us at:

Lower Mainland: (604) 433-5862
Toll Free in BC: 1-800-913-0022

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Welcome to the IWA - Forest Industry Pension Plan

The IWA - Forest Industry Pension Plan was established in 1973. It is administered by representatives of I.W.A. Canada and the forest industry. The Pension Plan is a Registered Retirement Savings Plan and is a "defined benefit" plan under Canada Customs and Revenue Agency guidelines.

Contributions are made to the Pension Plan at an hourly rate which is set out in the collective agreements negotiated between I.W.A. Canada, the forest industry employers and employer groups. Your company's participation in the Pension Plan is based on what has been negotiated or agreed to between your company and your union local as part of your collective agreement. In order to participate in the Pension Plan, your company must also enter into an agreement with the Trustees of the Pension Plan by signing a Participation Agreement.

This Administration Manual is designed to be a reference guide for questions about the Pension Plan, including how to go about making contributions, what hours to contribute for, and how to direct your employees to find information about their pension.

In any case where a dispute arises due to differences between the Administration Manual and the Plan text, the Plan text will govern. The full text of the Pension Plan is available to any Employing Company upon request.

1. GETTING STARTED

1.1 Company Number

When your company becomes an Employing Company in the IWA - Forest Industry Pension Plan, you are assigned a six digit company number, in the format 0000-00. This number is unique to your company. Quoting your company number in all correspondence and phone calls enables us to call up your account faster.

- For owner-operators who have employees, two company numbers are assigned. The first four digits are the same for both, but the -00 extension refers to **employees** and the -55 refers to the **owner-operator**.

1.2 Pay Period

Employing Companies must submit contributions to the Pension Plan at least once every 31 days. Furthermore, contributions are due 30 days after your pay period end date. Within those guidelines, your company can choose a pattern of pay periods you find most convenient. It is advisable to choose the pay period schedule that most closely matches your payroll. The most popular choices are:

- by calendar month (January 1st to 31st)
- every 28 days (January 1st to 28th)
- every 14 days (January 1st to 14th, January 15th to 28th)
 - submit either one report every two weeks, or
 - two reports together, once every four weeks

Let us know which pay period schedule you choose so that we can send out contribution reports to match your schedule. Also let us know if you need to change your pay period schedule at any time, or adjust it as needed for rate changes, year ends, etc.

Regardless of the number of days worked in a pay period, your report needs to have Period Start and End Dates which cover the entire pay period. Every day must be accounted for.

On the first page of your monthly contribution report, check that the Period Start Date we have pre-printed is correct. There may be occasions when the contribution report for the next period is mailed to you before we have received your previous one. In that case, adjust the Period Start Date. The Period End Date is left blank for you to fill in.

1.3 Reporting Method

It is up to each Employing Company to decide if they wish to use our paper contribution reports, create their own spreadsheet or payroll reports, or report via computer disks.

1.3.1 Our Forms

The forms for reporting hours and calculating the amount of contributions are called **Contribution Reports**. Each report has three sections:

- **Billing Statement**

This front page displays the Company Name, Company Number and complete mailing address. Adjust the Period Start Date if necessary. Fill in the Period End Date and the total hours for the pay period on this page. The contribution rate per hour for each plan your company participates in is indicated. Multiply the hours by the rate shown to get the amount owing per plan. Plans your company is not required to contribute for are marked "N/A."

- **Member Hours Report**

The middle section of our report is pre-printed with the Social Insurance Number ("SIN") and name of each employee we show as an active employee of your company. Fill in the hours worked for Pension and/or LTD in the appropriate column for each employee. Add the SIN and name of any new employees to the bottom of the list.

- **Member Work Status Report**

The final section is for reporting employee status changes, such as Termination, Layoff, WCB, etc. A list of work statuses and codes appears on the top of this report.

If there are no hours reported for any employee during a pay period, you must report a status change for them. It is important that all statuses are reported accurately as your employees may be eligible for special provisions under the Pension Plan (see 2.4 *Employee Status Changes*).

1.3.2 Your Own Forms

If you decide to use your own forms, we require the following information:

- Company Name and Company Number
- Period Start and End Dates
- SIN and Name of each employee
Hours for each member
- Total hours being reported and paid for

You will still receive a Billing Statement and Work Status Report from our office. These are sent to you to keep you up to date regarding any debits or credits in your company's account, as well as give you the opportunity to report any employee status changes. For more information, see 2.4 *Employee Status Changes*.

1.3.3 Report by Disk

If you prefer to submit your contribution information on a computer disk, contact our office for the specifications. We require the data in a simple text file rather than a spreadsheet or other formatted document file.

1.4 Payment Methods

Cheques or money orders should be made payable to IWA - Forest Industry Pension Plan, and submitted together with your contribution report. One cheque made out to the Pension Plan may be used to cover your contributions to the LTD Plan, H & S Fund, and/or Education Trust Funds.

2. EMPLOYEES

2.1 Eligible Employees

All of your employees doing I.W.A. bargaining unit work are considered to be Eligible Employees. This group includes part-time employees, probationary employees, summer students, as well as regular full-time employees.

If you have contractors working for you who do not satisfy Canada Customs and Revenue Agency's definition of "independent" contractors, they will be considered employees for the purposes of the Pension Plan, and contributions must be made for them.

(If you are an owner-operator of a company participating in the Pension Plan, see 7 *Owner-Operators*.)

Following is the full definition of Eligible Employee from the text of the Pension Plan:

4.3 *Eligible Employee*

a) Subject to Subsection 4.03(b), Subsection 4.03(c), Subsection 4.03(d) and Subsection 4.03(e), a person shall be an Eligible Employee if:

- i) the person is a member of the Union and is a bargaining unit employee of an Employing Company;*
- ii) the person is an hourly paid employee of an Employing Company for whom the Union is the bargaining agent;*
- iii) the person is a member of the Union and is an officer or staff member employed by the Union*
- iv) the person is a member of I.W.A. Canada, who is employed in Ontario and satisfies the conditions described in Subsection 21.02(a); or*
- v) the person is an Owner-Operator.*

b) A person who qualifies as an Eligible Employee under paragraph 4.03(a)(i) or paragraph 4.03(a)(ii), but who transfers temporarily to a class of employment not covered by a Union bargaining unit, in the service of the same Employing Company, shall continue to qualify as an Eligible Employee until the end of the fourth month following the month in which such temporary transfer occurs.

c) A person who becomes Disabled while an Eligible Employee of an Employing Company, or is Disabled when he becomes an Eligible Employee of an Employing Company, shall continue to be an Eligible Employee of such Employing Company for as long as he remains Disabled.

d) A person who is Totally and Permanently Disabled shall not be an Eligible Employee, but may become a Plan Member under Subsection 4.04(b).

e) A person who would qualify as an Owner-Operator, except that he performs work which is not I.W.A. bargaining unit work for more than 25% of the normal work month, shall not be an Eligible Employee.

f) A person who is a Management Transfer shall not be an Eligible Employee.

2.2 *Eligible Hours*

It is important to correctly determine which hours are eligible under the Pension Plan, and which ones are not. Not all hours your employees are paid for are considered Eligible Hours.

At least twice per year our office will send you a copy of our Contributory Hours Reporting Guide, a one sheet table breaking down the most common categories of hours, and whether or not to report them for Pension and/or LTD.

Following is the full definition of Eligible Hours from the text of the Pension Plan:

5.03 (a) Eligible Hours

The Contribution Report shall include the Eligible Hours for each Eligible Employee of the Employing Company during the applicable Contribution Reporting Period which shall be equal to the hours actually worked by each Eligible Employee, adjusted as follows:

- i) An Eligible Employee who works a short shift but is paid as though a full 8 hour shift was worked, shall be deemed to have worked 8 hours.*
- ii) An Eligible Employee who has an alternate work schedule whereby he is paid for a greater number of hours than those actually worked, shall be deemed to have worked the hours paid.*
- iii) An Eligible Employee who is detained on company premises at company direction, and is paid call time while so detained, shall be deemed to have worked the call time (but not travel time).*
- iv) An Eligible Employee who works on Union business on a temporary or part time basis shall be deemed to have worked at the rate of 8 hours for each day, with pro-rata allowance for part days, while on Union business. Such hours worked shall be reported and paid for by the Union.*
- v) An Eligible Employee while on a maternity leave of absence, shall be deemed to work at the rate of 40 hours for each week of absence up to a maximum period equal to the sum of:*

- A) 18 consecutive weeks; and*
- B) an additional 6 consecutive weeks provided the Pension Administrator received a written statement from the attending Physician confirming that the leave of absence in excess of 18 weeks is due to medical reasons related to the birth or termination of the pregnancy.*

vi) An Eligible Employee, while on a parental leave of absence, shall be deemed to work at the rate of 40 hours for each week of absence up to a maximum period of 12 consecutive weeks. If the Eligible Employee is required to remit amounts to the Board of Trustees in respect of the Member Contribution Rate, as described under Subsection 5.06 (b), then Eligible Hours shall only be credited under this paragraph 5.03(a)(vi) in respect of periods where such amounts are remitted to the Board of Trustees. (See 2.2.1

Pregnancy and/or Parental Leave)

- vii) A Plan Member who has been awarded compensation for a period of time as a result of the settlement or arbitration of a grievance shall be deemed to have worked such period of time at the rate of 40 hours per week or in such other manner as is consistent with the settlement or arbitration of the grievance.*
- viii) An Eligible Employee who is an officer or staff member of the Union shall be deemed to work an 8 hour day and a 40 hour week, with pro-rata allowance for part days and part weeks.*
- ix) An Eligible Employee who is transferred temporarily to a class of employment not covered by a Union bargaining unit, but who continues to qualify as an Eligible Employee under Subsection 4.03(b), shall be deemed to work an 8 hour day and a 40 hour week, with pro-rata allowance for part days and part weeks.*

2.2.1 Pregnancy and/or Parental Leave

Effective January 1, 2001, federal and provincial regulations regarding Pregnancy and Parental Leave were changed. However, the Plan's requirements for Pregnancy Leave (formerly called Maternity Leave) exceed those set out in the new BC Employment Standards Act guidelines.

- Contributions are required at the rate of 40 hours per week for the duration of Pregnancy Leave, up to the maximum leave of 18 weeks as stated in the Plan text. Pregnancy Leave may be extended by a further 6 weeks due to medical reasons related to the birth or termination of the pregnancy.
- Both employer and employee portions of the contribution are mandatory for Pregnancy Leave.

The Plan text requirement for contributions for Parental Leave does not currently meet the minimum standards set out in the new BC guidelines and therefore the guidelines override the Plan provisions. Parental Leave provisions in the Plan text will be upgraded to reflect the new BC Employment Standards Act guidelines, which are summarized below:

- A birth mother who has taken Pregnancy Leave may subsequently take a maximum of 35 weeks of Parental Leave. Parental Leave may be extended by a further 5 weeks if the child has a physical, psychological or emotional condition requiring an additional period of parental care.
- A birth mother who has not taken Pregnancy Leave, a birth father or an adoptive parent may take a maximum of 37 weeks of Parental Leave. Parental Leave may be extended by a further 5 weeks if the child has a physical, psychological or emotional condition requiring an additional period of parental care.
- Contributions are only required for Parental Leave if the employee agrees to submit their portion of the contribution.

If you have any questions about Pregnancy or Parental Leave, you can contact the BC Employment Standards Branch Inquiry Line at 1-800-663-3316 (Toll-free in BC).

2.2.2 Fractional Hours

Report all Eligible Hours to the Pension Plan, including fractional hours up to two decimal places. For example, if a member works 8.75 hours a day and works 17 days in one month, you must report 148.75 hours. Do not round up or down. The only exceptions are employees with an alternate work schedule, or who work a short shift as described in *2.2 Eligible Hours*.

2.3 Forms for New Employees

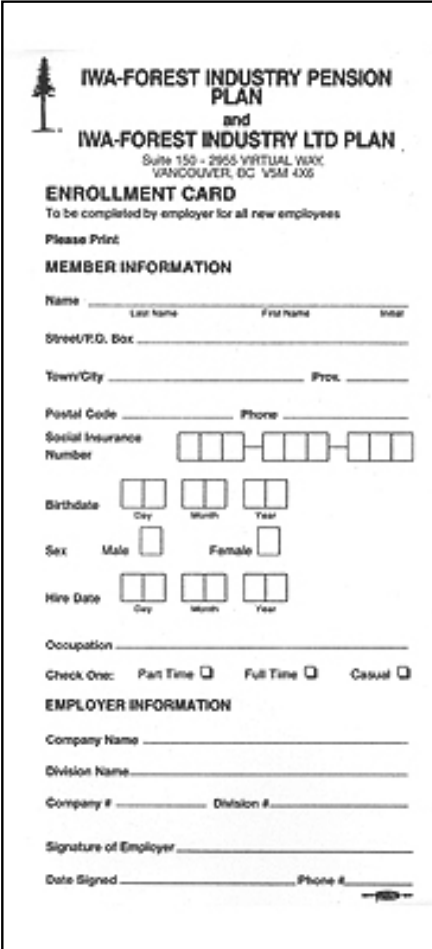
2.3.1 Enrollment Card

For every employee you hire, we need a completed Enrollment Card. This card gives us all of the basic information we need about each new employee, including birth date, hire date, and current address. Don't forget to fill in your company number. Contact our office to order a supply of these cards.

- It is important that you provide us with the employee's correct hire date. Members will automatically vest in our Pension Plan two years after their hire date.

2.3.2 Pre-Retirement Designation of Beneficiary Card

Every employee should fill out a Pre-Retirement Designation of Beneficiary card to identify their beneficiary in the case of death before retirement. The cards are accompanied by a leaflet explaining who can be named as a beneficiary. An employee who wishes to name or change their beneficiary with the Pension Plan must complete one of our Pre-Retirement Designation of Beneficiary forms. When your employees elect or change their beneficiary for another plan, they often assume this designation also applies to the Pension Plan; it does not. Each benefit plan is administered separately and notifying one plan does not inform the others. Contact our office to receive more cards and/or leaflets.



IWA-FOREST INDUSTRY PENSION PLAN
and
IWA-FOREST INDUSTRY LTD PLAN
Suite 150 - 2955 VIRTUAL WALK
VANCOUVER, BC V5M 4X6

ENROLLMENT CARD
To be completed by employer for all new employees

Please Print

MEMBER INFORMATION

Name _____
Last name First name Initial

Street/P.O. Box _____

Town/City _____ Prov. _____

Postal Code _____ Phone _____

Social Insurance Number [][][]-[][][]-[][][][]

Birthdate [][] [][] [][]
Day Month Year

Sex Male Female

Hire Date [][] [][] [][]
Day Month Year

Occupation _____

Check One: Part Time Full Time Casual

EMPLOYER INFORMATION

Company Name _____

Division Name _____

Company # _____ Division # _____

Signature of Employer _____

Date Signed _____ Phone # _____

PRE-RETIREMENT DESIGNATION OF BENEFICIARY	
PLEASE PRINT YOUR INFORMATION HERE:	
Name: (Last)	First name(s) in Full:
SIN:	Date of Birth: DAY MONTH YEAR Sex: Male <input type="checkbox"/> Female <input type="checkbox"/>
Address:	
City:	Postal Code: Phone # ()
Name of Employer:	
<small>You must appoint your spouse as your beneficiary unless a waiver is signed (see over). If you do not have a spouse, you may name another person as your beneficiary or name your estate. If your beneficiary is a child under 18, or there is distribution of pension under a court order or separation agreement, please contact the Plan Office.</small>	
PLEASE CHECK <input checked="" type="checkbox"/> ONE BOX: <input type="checkbox"/> I have a spouse <input type="checkbox"/> I do not have a spouse <input type="checkbox"/> My spouse has completed a waiver form	
PLEASE PRINT YOUR BENEFICIARY INFORMATION HERE:	
Name: (Last)	First name(s) in Full:
Date of Birth: DAY MONTH YEAR	Relationship to you: SIN:
Address:	
City:	Postal Code:
Name: (Last)	First name(s) in Full:
Date of Birth: DAY MONTH YEAR	Relationship to you: SIN:
Address:	
City:	Postal Code:
DATE: X _____	YOUR SIGNATURE: X _____

2.3.3 Employee Address or Name Change Card

An Employee Address and/or Name Change card must be completed and returned when your employee changes their address or name. If we do not have the correct address, the employee will not receive his/her Annual Pension Statement, or other correspondence from our office.

2.4 Employee Status Changes

It is important that you keep us up to date on the statuses of your employees. A full list of status codes is located at the top of the Member Work Status Report. Most are self-explanatory, however some have specific meanings for our Plan.

- T - Terminated - anyone who has quit or been fired, permanently laid off, or whose seniority has expired and will not be returning to your company
- P - Permanent Involuntary Job Loss - anyone who has been terminated due to downsizing, job elimination, technological change or permanent closure
- M - Management Transfer - anyone who has moved from an I.W.A. Canada bargaining unit position to a salaried position

An employee may still be eligible for pension credits even though he is not working. These Pension credits are called **unfunded hours** because no contributions are required to be made by the company. Any member who has less than 1500 Eligible Hours in a calendar year may be eligible to receive unfunded credits. To ensure that your employees get all the credits they are entitled to, we require that you provide us with the start and end dates of the periods when an employee is not working for one of

the following reasons:

2.4.1 Layoff

Full-time Eligible Employees are eligible for up to five weeks (200 hours) of layoff credit each calendar year, when the layoff is due to weather or market conditions. Only complete weeks of layoff are counted. A complete week is considered to be any consecutive five working day period within seven calendar days.

2.4.2 Sick Leave

Members are eligible for a credit of 8 hours per day for each day they are in receipt of weekly indemnity benefits.

2.4.3 WCB

Members are eligible for a credit of 8 hours per day for each day they are in receipt of WCB wage loss benefits, rehabilitation allowances or income continuity payments.

2.4.4 ICBC Wage Loss

Members are eligible for a credit of 8 hours per day for each day they are in receipt of wage loss benefits under Part 7 of the Revised Regulations (1984) to the Insurance (Motor Vehicle) Act of British Columbia, or any similar act in another province.

2.4.5 Vacation in Excess of 5 Weeks

Members with more than five weeks of paid vacation in a calendar year are eligible for 40 hours of credit for each week after the fifth week.

2.5 Employees Who Retire

2.5.1 Application For Retirement Benefits

When employees apply for an IWA - Forest Industry Pension, they complete Section A of the pension application form. Section B must be filled out by the Employer.

IWA - FOREST INDUSTRY PENSION PLAN
WILSON INDUSTRIES (FOREST PRODUCTS) SUBSIDIARY, INC. 1000 WILSON AVENUE
 MILLERSVILLE, MARYLAND 21108-1000 FAX: 410-326-1000
APPLICATION FOR RETIREMENT BENEFITS
(To be completed in city of residence or temporary home)

SECTION A: To be completed by APPLICANT

Name of Applicant _____ Name of Beneficiary _____
 Address of Applicant _____ Address of Beneficiary _____
 Street _____ City _____ State _____
 Zip _____
 Phone No. _____
 Social Security No. _____
 I hereby verify _____

SECTION B: To be completed by EMPLOYER

Company Number _____ Division Number _____
 Applicant has worked for us since _____ Last report ended _____
 Vacation taken this year from _____ to _____
 Last day employee expected to work _____ Employee status: Casual Full Time Recovery
 Applicant has not worked since _____ Extension of _____
 1. DISABILITY: W.G.B. Center _____ Weeks Incentive Center _____ LTD _____
 2. TRANSFER TO SALARIED _____
 3. LAYOFF: Permanent Temporary SENIORITY DATES: _____
 4. TERMINATION REASON: Technological Change Seniority Retention Expired Permanent Closure
 Out Discharged Other _____
 Date _____ Signature _____ Phone # _____

NOTE: FORWARD ORIGINAL COPY TO: THE IWA - FOREST INDUSTRY PENSION PLAN ADMINISTRATION OFFICE AND KEEP A PHOTOCOPY FOR YOUR RECORDS.

2.5.2 Hours Worked After Retirement

If a member who is receiving an IWA - Forest Industry Pension returns to work, Pension contributions must be made on their behalf. If that member works more than 19 hours per week, their pension will be suspended.

2.6 Pension Plan Booklet

The IWA - Forest Industry Pension Plan has published a booklet for members outlining the provisions of the Plan. If you need copies of the booklet for your employees, let us know.

3. CONTRIBUTIONS

3.1 Contribution Due Date

Contributions are due in our office 30 days after the Period End Date of your report. You must report at least once every 31 days. For example, reports for the period January 1st to 31st are due by March 3rd. Reports for the period January 1st to 28th are due February 28th. If your company is experiencing cash flow problems and will be unable to make payments, the time to tell us is before your account becomes delinquent, when there is an opportunity to work out a payment plan.

We accept post-dated cheques, but interest charges apply to amounts owing beyond their due date.

3.2 Nil Reports

Even if you have no eligible hours to report in a pay period, a nil report must be filed. This can be submitted by fax or mail.

3.3 Interest Charges

Interest is charged on all overdue amounts. Interest is calculated daily, compounded monthly, at the rate of one and a half times the prime rate. The rate is updated on the first business day of each calendar quarter.

3.4 Legal Action

If your account is in arrears, the Pension Plan may initiate legal action against your company to collect the overdue amount. You will be notified before such action begins. You will be responsible for reimbursing the Plan for any fees we incur to pursue such action.

3.5 Article 23 (Non-Conforming Employer)

Employing Companies that fall more than 90 days behind in their contributions to the Pension Plan will become Non-Conforming Employers as per Article 23 of the Plan text. Employees of Non-Conforming Employers no longer receive credits in the Pension Plan until the company's debt is paid. We directly inform employees of Non-Conforming Employers of the situation.

If an Employing Company is a Non-Conforming Employer as of the renewal date of its Applicable Collective Agreement, the Employing Company will become a Suspended Employing Company. Call our office for further information regarding Article 23.

3.6 Correcting Reporting Errors

Any adjustments to an employee's hours for a past pay period must be reported separately. Please do not add or subtract hours from your current billing statement. Let us know how many hours are being adjusted, which employee is affected and for which period, so we can make the appropriate changes.

4. COMPANIES

4.1 Company Address Change

Notify us as soon as possible if you are moving, so we can re-direct your billing statements. Similarly, if you hire an outside party to prepare your reports, please inform us of their mailing address, phone/fax numbers and contact name.

4.2 Company Name Change or Change of Ownership

If your company's name changes, or the company is sold to or amalgamates with another company, we need to know. If your I.W.A. operations move from one company to operating under another company, you must also let us know.

For owner-operators, it is just as important to let us know if your company's status changes. For instance, owner-operators of unincorporated companies are not eligible to participate in either the Pension or LTD Plans. However, if an owner-operator incorporates their company within three months of joining the Plan, they may become eligible to participate in both.

Regardless of any changes to your corporate status, if your company participates in the Pension and/or LTD Plans, you must make contributions on behalf of your employees.

4.3 Change in Membership of an Employer Organization

If your company is a member of one of the forest industry employer organizations, such as Forest Industrial Relations Ltd. (FIR), Council on Northern Interior Forest Employment Relations (CONIFER), Interior Forest Labour Relations Association (IFLRA) or Inland Forest Construction Group, it is important that you notify our office if your membership in that organization ceases. Certain obligations to the Pension Plan which apply to these member organizations may no longer apply to your company.

4.4 Change in Collective Agreement

Each new collective agreement your company enters into with I.W.A. Canada may have an effect on your participation in the Pension Plan, such as a change in your contribution rate or your employees' pension benefit rate. We ask that you let us know any time your company reaches a new collective agreement or signs a memorandum of agreement that concerns the Pension Plan.

4.5 Temporary Shutdown

If your company temporarily shuts down, you must submit nil reports for each pay period during the shutdown. This is the easiest method if the shutdown is not expected to last very long.

However, if you anticipate the shutdown will continue for quite some time, contact our office and we can arrange to stop sending billing statements. We will follow up with you at agreed-upon intervals from three months to one year's time. If you resume operations earlier than expected, contact our office and we will send out billing statements.

4.6 Permanent Shutdown

Please notify us in writing if your company shuts down permanently. All contributions must be paid in full before your account can be closed. You are still obligated to contact the Plan Office if you resume operations in the future, regardless of the length of time your company is closed.

4.7 Receivership or Bankruptcy

If your company goes into receivership or files for bankruptcy, let us know immediately. Your employees may be eligible for credits in the Pension Plan beyond the last hours your company paid for.

4.8 Withdrawal from the Pension Plan

A withdrawal from the Pension Plan must be negotiated between your company and your union local. Your employees' pension entitlement will be reduced as a result of withdrawal. You cannot withdraw retroactively. Inform us immediately if a withdrawal is negotiated.

4.9 Decertification

If your employees vote to decertify from the I.W.A., your company's participation in the IWA - Forest Industry Pension Plan will end. Your employees' pension entitlement will be reduced as a result of decertification. Notify us immediately if your company has decertified.

5. AUDITS

All Employing Companies are audited at least once every five years. We have an obligation to ensure that members are receiving all the credits they are entitled to, and to ensure compliance with the Plan rules.

All information obtained in an audit is kept confidential.

5.1 Right to Audit

Any Employing Company that signs a Pension Plan Participation Agreement, or is a member of an employer organization which is a party to the Pension Trust Agreement (such as FIR), thereby agrees to provide the Pension Plan with access to payroll records to confirm that the company is satisfying the requirements for contributions to the Pension Plan.

5.2 What Records the Auditor Needs to See

When your company is selected for an audit, you will be informed by mail. We include a listing of required documents at that time. These could include but are not limited to time sheets, T4s and the payroll register. One of our field auditors will then contact you by phone to arrange a convenient time to examine your payroll records.

5.3 Audit Results

Once the audit has been completed in the field, the results are analyzed by the Plan Office. You will receive a full breakdown of any discrepancies.

Your employees will not receive credit for Eligible Hours discovered through an audit until those hours are paid for by the company. If an audit reveals an overpayment of contributions, credits will be applied to your company's account.

5.4 Payment Plans

Companies are given 30 days to pay the audit in full. Any company that is unable to pay the full amount owing should submit a payment proposal. The proposal must be submitted as soon as possible after receiving the audit results.

5.5 How Audit Payments Affect T4s

Any adjustment made to an employee's Eligible Hours will necessitate a revision to the Pension Adjustment on that employee's T4 for the year in which the adjustment was made. Once an audit is resolved, our office will provide you with a summary of the pension hours adjustments, detailed by employee.

6. T4s

Contributions to the IWA - Forest Industry Pension Plan must be reflected on your employees' T4 statements.

There are three boxes on a T4 which require information about your Pension contributions.

- In Box 50, enter our Plan's registration number 0373332
- In Box 52, enter the Pension Adjustment. (See *6.1 Pension Adjustment*)
- In Box 20, enter the employee's Registered Pension Plan contribution. (See *6.2 Registered Pension Plan Contribution*)

6.1 Pension Adjustment

To calculate an employee's Pension Adjustment, multiply the number of Eligible Hours worked by that employee in a year by the factor provided to you by the Pension Plan. This factor represents the portion of each hourly contribution which funds service in the Plan from 1990 forward (the year Canada Customs and Revenue Agency introduced the Pension Adjustment).

At the end of each year, the Plan Office will inform all Employing Companies of what factor to use to calculate the Pension Adjustment for that year. This factor can change each year, according to the funding level of the Pension Plan. Canada Customs and Revenue Agency uses the Pension Adjustment to calculate an individual's RRSP contribution limit for the following year.

6.2 Registered Pension Plan Contribution

This amount should be equal to the **employee** portion of the hourly contributions remitted to the Pension Plan, multiplied by the number of Eligible Hours for the year. The employees use this figure on their Income Tax returns as a deduction.

6.3 Audits

Employees whose Pension hours were adjusted due to an audit will need this adjustment shown on their T4 for the year in which the audit was paid for or credited back to the company. (See *5.5 How Audit Payments Affect T4s*)

7. OWNER-OPERATORS

To be considered an owner-operator as defined in the Pension Plan, you must satisfy the following definition:

- you own at least 10% of the shares of an incorporated company,
- your company is an Employing Company in the IWA - Forest Industry Pension Plan,
- you are employed in the forest industry in an I.W.A. bargaining unit position,
- you perform such bargaining unit work at least 75% of your normal work month, and
- you are a member of the I.W.A. or the I.W.A. is your bargaining agent.

7.1 Choosing Whether or Not to Participate

When your company joins the Plan, or when you become the owner-operator of a company already participating in the Plan, you have up to three months to decide if you wish to make contributions on your own behalf to the Pension Plan.

If you already have credited service in the Pension Plan as an employee of another Employing Company, or as the owner-operator of a different company, it is important to contact the Plan Office for information on how your decision affects your future pension.

7.1.1 Owner-Operator Election Form

As soon as we are informed either that your company has joined the Pension Plan, or that you have become the owner of a company already participating in the Plans, you will be sent an Owner-Operator Election Form, as well as a summary of the provisions which apply to owner-operators.

If you choose not to participate in the Pension Plan, you will not be allowed to change your mind later. For as long as you remain the owner-operator of that company, you will not be allowed to participate.

7.1.2 Opted-Out Owner-Operator

An Opted-Out Owner-Operator is an Owner-Operator who:

- elects not to participate in the IWA - Forest Industry Pension Plan, or
- does not sign an Owner-Operator Election Form within 90 days of becoming an Owner-Operator, or
- completes an Owner-Operator Termination Agreement Form.

7.2 Consequences of Opting Out

7.2.1 If you Are Already a Member in the Pension Plan

The following provisions of Article 22 apply to Owner-Operators who elect not to participate or subsequently choose to terminate their participation in the Plan:

- he shall have a Break in Continuous Future Service Employment as of his Cessation Date (see definition below)
- he shall not accrue any Credited Service on or after his Cessation Date for as long as he remains an owner-operator
- he may use excess hours only to his Cessation Date
- he shall not benefit from any plan improvements occurring subsequent to his Cessation Date
- he will be entitled to a vested pension payable on his retirement in accordance with the terms of the Plan provided his right to a pension is vested on or before his Cessation Date
- his credited service earned while an Owner-Operator will be **reduced** as specified in Article 22.08 a) of the Plan Text

The Cessation Date will be:

- for an Owner-Operator who does not complete an Owner-Operator Election Form or who elects not to participate in the Plan, the later of his company's effective date and the date he first becomes an Owner-Operator
- for an Owner-Operator who completes an Owner-Operator Termination Agreement Form (see *7.3 Termination Agreement Form* below), the earlier of the date signified on the Termination Agreement Form and the date to which contributions were last paid.

7.2.2 If You Are New to the Pension Plan

If you have no Pension credits at the time you become an Owner-Operator and choose not to participate in the Pension Plan, you will not be a member of the Plan for as long as you remain an Owner-Operator of that company.

7.3 Termination Agreement Form

An owner-operator who is participating in the Pension Plan may choose to terminate his participation at any time. Contact our office and we will send you a Termination Agreement Form. See *7.2.1* above for a description of the terms of the Plan which apply to Owner-Operators who terminate their participation.

7.4 Owner-Operator Delinquent Accounts

An owner-operator whose company is more than 90 days behind in contributions will be deemed to have opted out of the Plan.

If the owner-operator's company has employees, collections procedures will continue as with any other Employing Company. (See 3.3 through 3.5)

7.5 Change of Ownership

It is important to let us know if the ownership of your company changes. If you sell a portion of your business to someone else, that person may qualify as an owner-operator as described in *7 Owner-Operators*.

Other Sources of Information

For further information about the IWA - Forest Industry Pension Plan, please refer to the following:

- Contributory Hours Reporting Guide
- Employer Newsletter
- Pension Plan Booklet
- Collective Agreement