

AFTER WORK

THE PLAN OFFICE NEWSLETTER
FALL 2017



PENSION AND LTD NEWS

GETTING THE MOST OUT OF YOUR PENSION AND LTD PLAN

Being a member of a workplace benefit plan puts you in the top 38% of working Canadians. Be sure to maximize your benefits—follow the tips below to get the most out of your pension or LTD plan:

- Notify the Plan Office if you change your address, name or marital status, and if you are receiving a benefit, your banking information. If we don't have your current address, we cannot ensure that you will receive your full benefit from the plan, as we have no way of reaching you!
- Carefully review your annual statement and all other material you receive from the Plan Office.
- Attend local pension seminars and webinars and review the Plan Office website (iwafibp.ca) to learn more about your plans.
- Seek help from the Plan Office for things you do not understand or are unsure about. We are always happy to help!

A REFRESHED WEBSITE

Have you noticed that things look a little different around the Plan Office? We've refreshed our website—check it out at iwafibp.ca. You'll find the same useful information, but now with an updated look. Visit the website to download forms (such as *change of address* and *beneficiary forms*), access plan annual reports and booklets and learn how your plans work.

FOR PENSION PLAN MEMBERS

BUILDING SERVICE WITH THE PLAN: A LIVE WEBINAR

Are you a new pension plan member or interested in learning about what it means to be an active member of the IWA–Forest Industry Pension Plan? Join us on December 5, 2017, for a live webinar about building your pension. At this webinar, you'll learn:

- How much you and your employer contribute to the plan,
- All about benefit levels and how you earn credited service, and
- The difference between credited, eligible and unfunded hours.

DATE: December 5, 2017

TIME: 12:00 pm (noon)

Sign up at iwafibp.ca/what-s-new to reserve your spot.

Unable to attend the webinar? Sign-up anyway and we'll email you a link to the recording following the live event.



THE PLAN OFFICE OF THE
IWA–FOREST INDUSTRY
PENSION & LTD PLANS

FOR PENSION PLAN MEMBERS

PENSION SEMINARS

In early September, pension specialists from the Plan Office travelled to the Nechako region of BC. There, they hosted pension seminars for over 80 members and spouses from Vanderhoof, Fort St. John and Chetwynd. The seminars explained the recent transition to a target benefit plan and provided an overview of the pension plan's rules, from breaking service to the various retirement options.

At the seminars members were happy to learn that the pension plan is currently fully funded (on a going concern basis). They also had a chance to ask their questions in person.

If you or your employer or union local would like to request a seminar, please contact the Plan Office at communications@iwafibp.ca. Please note that seminar availability is subject to sufficient member attendance.



In September the Plan Office held pension seminars in Vanderhoof, Fort St. John and Chetwynd, BC.

FOR PENSION PLAN MEMBERS

THE BENEFIT OF GROUP PENSION PLANS

Did you know that half of Canadians within ten years of retirement age have no accrued workplace pension benefits? The overwhelming majority of these Canadians have totally inadequate retirement savings, with median retirement savings of just over \$3,000—certainly not enough to retire on.

Only a small minority (roughly 15–20 per cent) of middle-income Canadians retiring without a workplace pension plan have saved anywhere near enough for retirement.*

Why does this matter? These statistics show that Canadian residents with workplace pension plans are financially better prepared for retirement than those without.

In particular, defined benefit and target benefit pension plans provide security in retirement. Members of these plans receive the same income every month, so they don't need to worry about outliving their savings.

From their early careers through to retirement and beyond, the IWA–Forest Industry Pension Plan is there to help members. As well as providing retirement benefits, the plan includes provisions for involuntary job losses, members with disabilities and spousal or beneficiary protection.

PLAN ADVANTAGE

In addition to these benefits, the plan also offers the following advantages:

- Funds are actively managed by professional investment managers with years of experience.
- As a large plan with many assets, the plan is able to select investments that are not typically available to retail investors. This means a more diversified portfolio and greater potential for growth.
- Our investment management costs are lower than most group and individual RRSPs.

*All statistics from the Broadbent Institute, February 2016

FOR PENSION PLAN MEMBERS

EXAMINING EXCESS HOURS

Members receive one full year of credited service when they work or otherwise accrue 1,500 eligible hours in a year. If you work for more than 1,500 hours in a year, you and your employer pay contributions on any hours over 1,500 (excess hours), but you do not always receive extra credited service for these hours. Why?

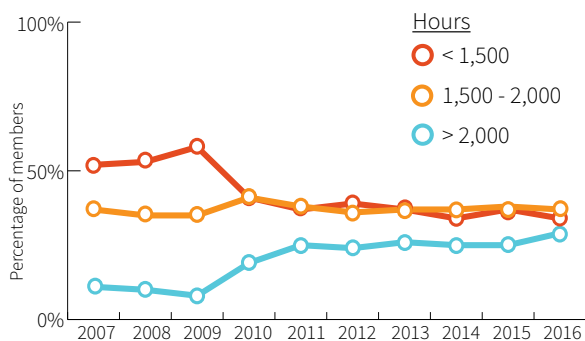
AN AVERAGE TO PROTECT PLAN BENEFITS

Employment in the forest industry is often cyclical, with members working periods of overtime followed by times of reduced hours. In 2016, active members worked an average of 1,533 eligible hours and a third of members worked less than 1,500 hours. Contrast this to just eight years ago, when, following a global recession, the majority of members worked less than 1,500 eligible hours. The 1,500 limit is not intended to always be a perfect reflection of a full year of service. Rather, the 1,500 limit is based on the average eligible hours worked and was selected to balance times of prosperity with years of less opportunity. Contributions collected from excess hours help fund other plan benefits such as subsidized early retirement (half of retired members receive this benefit!) and disability credits.

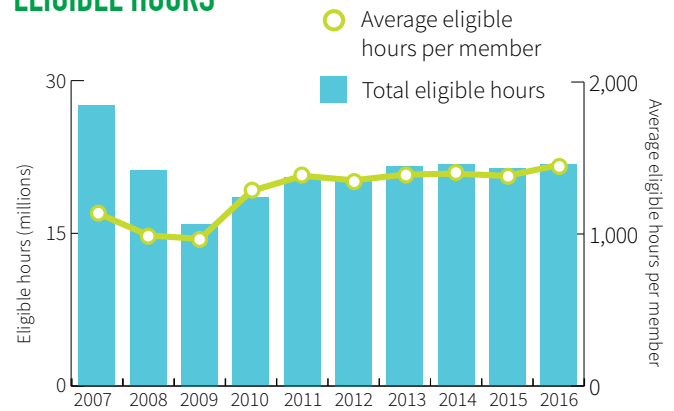
BOOSTING YOUR CREDITED SERVICE

In years when you work less than 1,500 hours, your accumulated excess hours can be used to bring you up to a full year of credited service. Please note that excess hours cannot be used to prevent a break in service. Credited hours can also be used at retirement to give you an extra year of credited service. For example, you can retire in January 2018 and use 1,500 accrued excess hours to receive a full year's worth of credited service for 2018, without needing to work even one hour. Doing this will boost your pension income by up to \$60 per month.

ELIGIBLE HOUR TRENDS



ELIGIBLE HOURS



A GROUP PLAN

Remember, the IWA–Forest Industry Pension Plan is and has always been a group plan, where risks and contributions are pooled among all participants. All members benefit from being part of a large plan with secure finances, and members can elect to receive a pension from the plan for their lifetime.

KEY DEFINITIONS

- Credited hours:** Members are given one full year of credited service if they accrue 1,500 eligible hours in a year.
- Eligible hours:** Hours for which both members and their employers pay contributions.
- Unfunded hours:** Any hours for which members do not contribute but receive credited service are called unfunded hours.
- Excess hours:** If a member works more than 1,500 hours in one year, any hours over 1,500 are recorded as excess. Excess hours can be used to bring your total covered hours for the year up to (or as close as possible to) 1,500. In the year you retire, excess hours can be used to increase your credited service if you accumulate less than 1,500 eligible hours.

FOR PENSION PLAN MEMBERS

ALL ABOUT SUBSIDIZED EARLY RETIREMENT

The subsidized early retirement benefit is another plan design feature that is funded by excess hours. This benefit is available to all members who retire from the plan as active plan members.

EARLY RETIREMENT FOR ACTIVE VS. DEFERRED MEMBERS

Age	Active members	Deferred members
55	82%	47.0%
56	86%	50.5%
57	90%	54.4%
58	94%	58.5%
59	97%	63.0%
60	100%	67.9%
61	100%	73.3%
62	100%	79.1%
63	100%	85.4%
64	100%	92.4%
65	100%	100%

The normal age of retirement for the plan is age 65. However, members can choose to retire and collect a monthly benefit from the plan as early as age 55. When members choose to retire early, it means they will receive their pension for a longer period of time, thereby increasing the value of their pension, and consequently the cost to the plan.

Members who retire from the plan without first breaking service (active members), are eligible to receive a subsidized early retirement benefit. If they choose to retire at age 55, they will receive 82% of what they would have received at age 65. While their pension is reduced, it is actually inflated 1.7 times! That's almost double the actual cost of their pension.

Currently, half of retired members are collecting the subsidized early retirement benefit. This great benefit would not be possible without the contributions collected from excess hours.

Deferred (inactive) members who retire early do not receive the subsidized early retirement benefit. The plan actuaries reduce the early retirement benefit on an actuarial basis for the years 55 through 65. To keep costs consistent, they have calculated that, for example, if a member retires at age 55, their pension will be reduced to just 47% of what they would have received at age 65. So if their pension benefit would have been \$1000/month at age 65, it should be reduced to \$470/month at age 55. The reduced payment reflects the extra 10 years of pension income.

FOR PENSION PLAN MEMBERS

UNDERSTANDING UNFUNDED HOURS

When certain life events prevent members from contributing to the plan, they may still receive credited service. Any hours for which members do not contribute but receive credited service are called unfunded hours. Contributions collected for excess hours help to fund these hours.

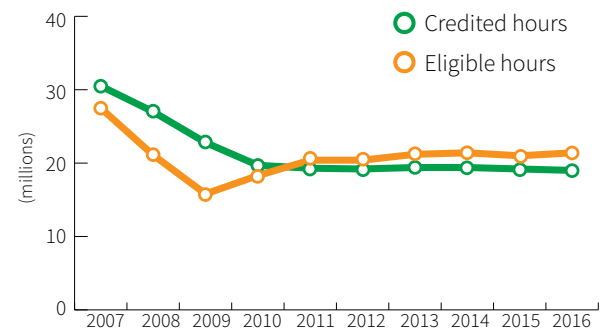
Members receive unfunded hours when they:

- Are disabled due to illness or injury and are unable to work,
- Are laid off or lose their job due to a permanent closure (up to a maximum of 200 hours), or
- Take more than five weeks of vacation.

Last year, over five percent of all credited hours were unfunded. Over the past 20 years, the pension plan has credited more hours to members than have been funded through eligible hours.

While many members may never need to take advantage of unfunded hours, they provide insurance for all active members. Members do not have to worry about making contributions or forgoing credited service when they find themselves in a difficult situation; such as being ill or injured and unable to work, or facing a recent job loss due to a mill closure.

CREDITED HOURS VS. ELIGIBLE HOURS



FOR PENSION AND LTD PARTICIPATING EMPLOYERS EMPLOYER CORNER

Employers are an important source of information for the Plan Office. Please contact us whenever a member's status changes—for example if a member transfers to a management position or takes a leave of absence. Changes in status determine members' eligibility for additional credits in the pension plan. Without notification of a status change from employers, these additional credits may go unreported and negatively affect members' pension credits.

The Plan Office occasionally updates its forms. If you are unsure whether you have the latest version of a form, please visit our website iwafibp.ca to download the most recent version.

FOR LTD PLAN MEMBERS

GETTING TO KNOW YOUR LTD & REHAB TEAM

Over 11,000 members contribute to the IWA–Forest Industry LTD Plan. These members are eligible to receive benefits from the plan should they become injured or ill and unable to work. (Not sure if you are an LTD plan member? Contact the Plan Office or ask your employer).

At the Plan Office, a dedicated team assists all LTD members. This team comprises two LTD Benefits Coordinators Shahnaaz Hassan and Sandra Perry, LTD Benefits Supervisor Bernie Gruber, and Director of LTD Benefits & Rehabilitation Steve Matovic. Together this team processes member applications and benefits and responds to member inquiries.

YOUR REHABILITATION COUNSELLORS

If you become disabled and qualify for rehabilitation services, you will be assigned a rehabilitation counsellor. Typically, you will be assigned a counsellor while receiving short-term disability benefits and will work with the same counsellor if you transition to long-term disability benefits.

All of our rehabilitation counsellors are knowledgeable and experienced professionals who work in cooperation with you, your medical team, rehabilitation providers, your employer and union to assist with your medical care, recovery and return to work plans. Their primary goal is support during recovery from illness or injury. They also actively promote an early and safe return to work. For disabled members unable to return to work on a regular basis, rehabilitation counsellors can assist them in applying for or appealing a denial of CPP disability benefits.

Your team of rehabilitation counsellors includes:

- Angeline Donald (Northern BC and Saskatchewan)
- Lincoln Cundiff (Southern Interior and Kootenays)
- Brian Lukyn (Vancouver Island North, Central and North Coasts and CPP)
- Cliff Dundas (Vancouver Island South)
- John Kim (Greater Vancouver)
- Gabriel Horvath (Southern Interior and Cariboo)
- Gordon Philip (Southern Interior, Cariboo and CPP)



From left to right:

Bernie Gruber, Supervisor, LTD Benefits
Sandra Perry, LTD Benefits Coordinator
Shahnaaz Hassan, LTD Benefits Coordinator
Steve Matovic, Director, LTD Benefits & Rehabilitation

FOR PENSION PLAN MEMBERS

MEET A MEMBER — PAUL LAVIOLETTE

Paul Laviolette is a 67 year old member of the IWA–Forest Industry Pension Plan, whose passion for his job on Northern Vancouver Island has kept him from retiring thus far. We caught up with Paul and asked him a few questions.

Q: What do you enjoy most about working in the forest industry?

A: *Being out in the wild. There never was a time I didn't like it—it's in my blood. What has been real great is the wages—we never had to let babysitters raise our kids! However Employment Insurance has helped out quite a bit over the years. There are lots of ups and downs in the forest industry.*

Q: What does being a member of the pension plan mean for you?

A: *I had friends that worked non-union. I was jealous they were making more per hour than I was but now they are retired with no IWA [Forest Industry] pension.*

Q: What are your (eventual) plans for retirement? How has the IWA–Forest Industry Pension Plan shaped those plans?

A: *Our IWA [Forest Industry] pension is going to come in real handy when I do finally quit and join the retired. However even though I am now working overtime at sixty-seven I really don't have any desire to quit! Maybe in a couple more years.*



Paul Laviolette, at his job site

Share your story — we'd love to hear from you! If you have a story or photo that you would like to share, please contact the Plan Office at communications@iwafibp.ca.

HOW TO CONTACT US

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