



Pension Plan

BOOKLET

of the

International Union of Painters and Allied Trades
and Industry Pension Fund (Canada)

Effective January 1, 2010



Pension Plan Booklet
of the
INTERNATIONAL PAINTERS
AND ALLIED TRADES INDUSTRY
PENSION FUND
(CANADA)



Effective January 1, 2010

To All Employees and Plan Participants:

The Board of Trustees of the International Union of Painters and Allied Trades and Industry Pension Plan (Canada) is pleased to provide you with this Canadian Pension Plan Booklet (Booklet) of the Rules and Regulations of your Pension Plan.

This Booklet incorporates the main features of the Plan, including all amendments adopted by the Board of Trustees up until January 1, 2010. As you read through it, you'll learn how you become a Plan participant, what your benefits are, how they're calculated and the different payment choices you'll have when you retire.

We've tried to describe the Plan's provisions as clearly as possible in a plain and straightforward manner. However, this is only a summary of the Plan. The Pension Plan is governed by the Rules and Regulations. If there is any conflict between this Booklet and the Rules and Regulations, the Rules and Regulations will apply.

Please read the Booklet carefully, and share it with your family. It's important that you, and your family understand your retirement benefits and the Plan's survivor protection features. We also suggest that you keep this Booklet with your family's other important documents.

We would also like to stress that only the Trustees or someone specifically authorized by the Trustees can speak for this Plan, or tell you about your rights and benefits. For example, if a Local Union or District Council official or business representative or an employer makes representations about your rights under the Plan, you should not rely on that information. You have a right to a copy of the Plan Document.

If you have any questions or require any additional information regarding your Pension Plan and how it affects your pension rights and benefits, you should contact the Fund Office at the address listed in the General Information Section. A complete text of the Rules and Regulations of the Pension Plan is kept at that office and is available for reference. You may also send your written questions or update personal information by contacting the Fund Office at the same address.

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

With our very best wishes for the future.

Sincerely,

BOARD OF TRUSTEES
December 2010

Effective January 1, 2010

IUPAT Industry Pension Plan Canada
Fiddlers Green Postal Outlet
PO Box 81032
Ancaster, Ontario L9G 4X1
Telephone: 800-554-2479

UNION TRUSTEES

James A. Williams
Co-Chairman

Robert Kucheran
Bill Nicholls

EMPLOYER TRUSTEE

Aristotle Aivaliotis
Co-Chairman

Richard Pazdzierski
Adolf Gust

FUND ADMINISTRATOR

Gary J. Meyers

LEGAL COUNSEL

Jennings Sigmond

CONSULTANT AND ACTUARY

Buck Consultants

AUDITOR

Kestenberg · Rabinowicz · Partners LLP

Table of Contents

Introduction	8
Participation	9
Who Can Participate in the Plan?	9
When Do I become a Participant?	9
Vesting	10
When am I Vested?	10
Pension Benefits	10
Normal Retirement Pension	10
When Am I Eligible for a Normal Retirement Pension?	10
How is a Normal Retirement Pension Calculated?	10
Early Retirement Pension	11
When Am I Eligible for an Early Retirement Pension	11
How is My Early Retirement Pension Calculated?	11
Disability Pension	12
When Am I Eligible for a Disability Pension?	12
How is a Disability Pension Calculated?	12
How is Permanent and Total Disability Defined?	12
What Happens if I Recover from My Disability?	12
Deferred Pension	13
When Am I Eligible for a Deferred Pension?	13
How is a Deferred Pension Calculated?	13
What is the Portability Option?	13
Forms of Pension Payment	14
How is My Pension Paid?	14
What if I Have a Spouse on the Date My Pension Begins?	14
Optional Form – Joint and Survivor Option	14
What if I Don't Have a Spouse on the Date My Pension Begins?	15
Optional Form – Ten-Year Guarantee	15

- Survivor Benefits15**
 - Is My Spouse Protected if I Die Before I Retire?15
 - What Happens to My Benefits if I Don't Have a Spouse?15
- Applying for Benefits16**
 - How Do I Apply for Benefits?16
 - How Does My Spouse or Beneficiary Apply for a Benefit?16
- Other Information16**
 - What Happens if I Work after Retirement?16
 - Can I Assign My Benefits?16
 - How Will I Know What My Benefits are under this Plan?16
 - Will the Benefits Provided under this Plan Affect my CPP/QPP Benefits in Anyway?16
 - What if I get a Divorce, Annulment or Separation?17
- Income Tax Items17**
- General Information17**
- APPENDIX A – BENEFITS EARNED BEFORE 201018**
 - Normal Retirement Pension Accrued From to January 1, 2000 to December 31, 200918**
 - Normal Retirement Pension Accrued to December 31, 199918**
 - Earning Credit for Pensions20**
 - How Does My Credit Count? 20
 - When Do I Earn Pension Credits? 20
 - Am I Eligible for Pension Credit for Employment to the Contribution Period? 20
 - How Do I Earn Credit 20
 - What is the Maximum Number of Credits I Can Earn? 20
 - Expanded Table: Pension Credits Earned from January 1, 2000 to December 31, 200921**
 - Expanded Table: Pension Credits Earned up to December 31, 200922**

BENEFICIARY DESIGNATION FORM

Introduction

The International Union of Painters and Allied Trades and Industry Pension Plan (Canada) was established to provide retirement benefits for employees covered under Collective Bargaining Agreements between employers and the Union.

This Booklet outlines how the Plan works, how your pension benefits are calculated and the various ways you can receive your pension benefits. In addition to describing the calculation of normal retirement benefits, we've also included information on early retirement, deferred and disability pensions.

We recognize that many of our Plan participants have family members who depend on them. That's why we've included information on the various forms of payment available to retiring members with a spouse and beneficiaries as well as pre-retirement spouse's death benefit provisions.

The Plan's benefit formula has been revised for benefits earned on and after January 1, 2010. This booklet also includes a summary description of the benefits earned under this Plan, prior to January 1, 2010 and prior to January 1, 2000. If further details are needed, the Fund Administrator will be happy to

provide them. The Fund Administrator's address is located on page 17 of this booklet.

The Plan is registered with the Financial Services Commission of Ontario under the Pension Benefits Act and with the Canada Revenue Agency under the Income Tax Act. The registration number is 0587519.

The financing of the Plan is based on employer contributions made on behalf of employees working under the terms of an Agreement. Employees are not required to make any contributions. The contributions to the Plan are held in a trust fund for the sole purpose of providing benefits to eligible participants and to pay for administrative expenses.

The Plan is administered by a Board of Trustees, consisting of Union and Employer representatives, who are responsible for the overall operation of the Plan. They serve without compensation. Records and benefit payments are processed at the Fund Office, which is managed by a Fund Administrator appointed by the Board of Trustees.

The provisions in this booklet apply to those Plan participants who have not terminated and received or are entitled to a termination, death, disability, or retirement settlement, prior to January 1, 2010.

Participation

Who Can Participate In The Plan?

You can participate in this Plan if your employer is a contributor to the Plan under the terms of a Collective Bargaining Agreement and you are:

1. An employee working under a Collective Bargaining Agreement;
2. A paid employee or officer of a Local Union or District Council; or
3. An employee who is not within a bargaining unit provided that your class has been accepted for participation in the Plan.

You may also become a participant in the Plan if you are an employee of a union industry-related organization as defined in the Plan and accepted by the Trustees. You cannot participate in the Plan if you are a piece worker who is responsible for payment of your own benefits.

When Do I Become A Participant?

If you were a participant in the Plan before January 1, 2000 and you have not terminated your participation, you remain a participant in this amended Plan. If you start working in covered employment after December 31, 1998, you will become a participant in the Plan on January 1st or July 1st, whichever is earlier, after you have met one of the following requirements:

- If you work under a Collective Bargaining Agreement requiring contributions, or you are a full-time employee as defined in categories (2) or (3) above, you will become a participant after 12 consecutive months in which you have at least 1,000 hours of covered employment.
- If you are a part-time employee whose job is covered by either category (2) or (3), you will become a participant upon the completion of a 12-consecutive-month period during which you have at least 700 hours of service in covered employment.

Covered employment means employment for which your employer is obligated to contribute to the Fund on your behalf. Service for eligibility means each hour you are paid or entitled to be paid for the performance or nonperformance of duties, or for each hour for which back pay is either awarded or agreed to by your contributing employer.

Your hours may be with one or more Contributing Employers. All your hours count even though you may not have worked for some period of time between employers; however, if you are employed in British Columbia and you do not meet either one of the above requirements, you can become a participant following two consecutive calendar years in each of which you have at least 350 hours of service in covered employment with one or more employers, and earnings not less than 35% of the YMPE in each of the 2 consecutive calendar years.

Example:

John, a full-time employee who started working under a Collective Bargaining Agreement in February 2010, earned:

- 892 hours of service in covered employment from February to December of 2010, and
- 120 hours of service in covered employment in January 2011.

Since he completed at least 1,000 hours of service over twelve consecutive months, John becomes a participant in the Plan on July 1, 2011.

Example:

Steve, who was hired at the beginning of September 2009 as a part-time employee of a Local Union, earned:

- 203 hours of service in covered employment from September to December of 2009, and
- 560 hours of service in covered employment from January to August 2010.

Since he has completed at least 700 hours of service over twelve consecutive months Steve becomes a participant in the Plan on January 1, 2011.

Vesting

Vesting means entitlement. If you are vested, it means you are entitled to a pension when you retire.

When Am I Vested?

You will become vested as soon as you have:

- Completed at least 24 months of continuous service as a Plan participant, or
- You have attained age 65.
- If you are a Manitoba participant, you are vested immediately (as required by law).

Vesting service is your service after you become a participant in the Plan. Under special circumstances such as disability and some other types of employment with your contributing employer, you may still qualify for vesting service.

Once you are vested, you have a right to the pension you have earned even if you do not work for a contributing employer again.

Example:

Jesse began working full-time for a contributing employer on December 1, 2010 and became a participant on January 1, 2012. Jesse continued to participate throughout 2012 and 2013. On January 1, 2014, Jesse becomes vested. Now, even if he stops working in covered employment, Jesse is eligible to receive a pension from the Plan when he retires.

Pension Benefits

Four types of pensions are provided under this Plan:

1. Normal Retirement Pension
2. Early Retirement Pension
3. Disability Pension
4. Deferred Pension

This section describes when you are eligible to receive each type of pension and the amount of that pension. Keep in mind that you may receive only one type of pension from the Plan.

Normal Retirement Pension

When Am I Eligible for a Normal Retirement Pension?

You are eligible to retire on a normal retirement pension if you are at least age 65.

If you keep working for a Contributing Employer after age 65, you may continue to earn benefits in the Plan until you actually retire. However, you must begin receiving your pension no later than the January following your 71st birthday.

How is a Normal Retirement Pension Calculated?

How your normal retirement pension is calculated depends on when your benefits were earned. A different pension formula is used for benefits earned during the following three periods:

- Benefits earned on and after January 1, 2010
- Benefits earned from January 1, 2000 to December 31, 2009
- Benefits earned up to December 31, 1999

A monthly pension amount is calculated for benefits earned during the above periods separately. Your normal retirement pension is made up of the total of these three monthly pension amounts.

(1) For Benefits Earned On and After January 1, 2010:

- You will receive a monthly benefit equal to 1.5% multiplied by the total contributions made on your behalf by your employer on and after January 1, 2010 at the Base Contribution Rate (the Contribution Rate in effect for your employer as of January 1, 2010 that was negotiated by your local).
- However, if your employer's Contribution Rate decreases, then the accrual rate for those contributions will also decrease as follows:

Example:

On and after January 1, 2010, Antonio's benefits are based on an accrual rate of 1½ percent of the contributions made on his behalf by his employer. If

Lower Contribution Rate as a % of the Base Contribution Rate	Benefit Accrual Rate for Lower Contribution Rate
90%	1.2%
80%	0.9%
70%	0.6%
60%	0.3%
50% or lower	0%

his employer's contribution rate was \$1.00 an hour as of January 1, 2010 and Antonio worked 1,850 hours in 2010, the monthly amount of normal retirement pension earned in 2010 would be \$27.75 (1.5% times \$1,850 of contributions).

(2) For Benefits Earned From January 1, 2000 To December 31, 2009:

- You will receive a monthly pension equal to the benefit rate payable at each Contribution Rate multiplied by the number of units of Pension Credit at each Contribution Rate.
- Appendix A provides more information on how benefits earned during this period is calculated, as well as a table which sets out the monthly benefit rate applicable for each Contribution Rate.

(3) For Benefits Earned Up To December 31, 1999:

- You will receive a monthly pension equal to the total applicable monthly pension amounts which are based on the number Pre-2000 Pension Credits and the applicable weighted average Contribution Rates (determined as the weighted average of your Contribution Rates during the last 12 months prior to January 1, 2000).
- Appendix A provides more information on how benefits earned during this period is calculated, as well as a table which sets out the monthly pension amount applicable for each Contribution Rate.

Early Retirement Pension

When Am I Eligible for an Early Retirement Pension?

You are eligible to retire on an early retirement pension if you are:

- At least age 55; and
- You are vested.

How is My Early Retirement Pension Calculated?

An early retirement pension is calculated the same way as a normal retirement pension, but is reduced by one-half of 1% for each month you are younger than age 65 when your early retirement pension begins.

Example:

Bill has completed enough service to be vested and is eligible for a regular pension of \$1,500.00 a month payable at age 65. However, since Bill wants to retire on his 62nd birthday, his early retirement pension is calculated as follows:

- 1. The regular pension Bill would receive if he were age 65 is \$1,500.00*
- 2. The reduction for early retirement (36 months younger than age 65) is 36 times .005 (one half a percent) or 18% (0.18)*
- 3. The early retirement pension will be 82% of the regular pension benefit (100% minus 18%)*
- 4. To determine the monthly benefit, multiply the regular pension benefit, \$1,500 by 82%. That equals \$1,230.*

Disability Pension

When Am I Eligible for a Disability Pension?

You are eligible to retire on a disability pension if you:

- Are permanently and totally disabled according to CPP/QPP prior to age 65; and
- Earned at least 120 units of pension credit (which is equal to 18,000 benefit hours – refer to page 21 for information about how you earn pension credit), or ten years of vesting service (you begin to accumulate vesting service when you become a participant in the Plan); and
- Earned at least 12 units of pension credit (1,800 benefit hours) during the contribution period, or worked at least 1,800 hours in covered employment during the 24 months following the beginning of the contribution period; and
- Worked in covered employment at least 1,000 hours in the two calendar years prior to the year in which you became disabled.

How is a Disability Pension Calculated?

The monthly amount of the disability pension is equal to 110% of your early retirement pension. The early retirement pension is based on the normal retirement pension to which you would be entitled and is reduced by one-half of 1% for each month your disability pension start date is prior to age 65.

Your disability pension cannot exceed the amount of the normal retirement pension at the start of your disability.

If you are not yet age 55 on the date on which your disability pension is first payable to you, your benefit will be determined as though you were age 55 on that date.

Payment of your disability pension will begin six months after the month in which you were disabled and after all paperwork and applications have been received. Payments will continue as long as you are considered permanently and totally disabled. Once you have reached age 65, provided you remain retired, payments will continue to you even if you recover.

Are There Any Time Limits for Applying for a Disability Pension?

Once you have received a determination from the Canada Pension/Quebec Pension plans (CPP/QPP)

that you are entitled to CPP/QPP disability benefits, you must apply for a disability pension from the Plan within **12 months** of the date of your CPP/QPP determination (if you have not already done so).

Can I Apply for an Early Retirement Benefit While I am Waiting for a CPP/QPP Award?

In many circumstances, long delays can occur before receiving a determination from the Canada Pension/Quebec Pension plans (CPP/QPP) on a disability application. Because of these delays, if you are age 55 or older, you are permitted to apply for an early retirement benefit from the Plan after applying for a disability benefit from CPP/QPP. Should you be granted a CPP/QPP disability award, the Plan will change your benefit from an early retirement to disability pension, retroactive to the date of your CPP/QPP award. Your CPP/QPP disability award must be granted within 24 months of the date you make application to the Fund Office for an early retirement pension. If your CPP/QPP award is granted after this 24-month period, you will not be allowed to change your type of pension under the Plan from an early retirement pension to a disability pension.

How is Permanent and Total Disability Defined?

You are considered permanently and totally disabled within the meaning of this Plan based on a written certificate by a medical doctor and if you have been determined by the CPP/QPP to be entitled to a disability benefit from the CPP/QPP.

What Happens if I Recover from My Disability?

If you recover from your disability and are over age 65, your disability pension will continue for as long as you live and as long as you do not return to work. If you recover from your disability and are under age 65 you will no longer be entitled to collect a disability pension.

If you lose your entitlement to the CPP/QPP Disability Benefit before you turn age 65, you must let the Trustees know within 21 days of the date you receive notice of such loss. If you lose this entitlement, your disability pension payments from the Plan will stop. If you return to a job and contributions to the Plan are made on your behalf, you will once again begin earning pension credit. These credits will be added to your previous credits and will be applied toward a normal retirement, early, or deferred pension. Whatever disability payments you received earlier will not affect your eligibility, or the amount of one of these pensions.

If, as a disability pensioner, you are advised by the CPP/QPP that you are no longer eligible, for disability benefits, and you appeal the decision of the CPP/QPP, your disability benefits under this Plan will continue while this matter is under appeal. In the event the appeal is denied in final by CPP/QPP, your disability benefits under this Plan will stop as of the date of such denial and those benefits you received from the Plan between the date of suspension and the date a final denial was made shall be refundable to the Plan by way of a suspension of future benefits. If, however, you demonstrate that the appeal to the CPP/QPP was made in good faith (i.e., by providing letters from physicians, etc.), you will not be required to refund the disability benefits paid from the Plan prior to the final denial.

Deferred Pension

When Am I Eligible for a Deferred Pension?

You are eligible to receive a deferred pension if you:

- Are vested (to be vested, you must have at least 24 months of continuous service as a Plan participant);
- Terminate participation in the Plan (your participation in the Plan will be terminated after a period of 24 consecutive months in which no contributions are made on your behalf);
- Are not eligible for a normal or early retirement pension; and
- Do not elect the portability option (see explanation in next section).

Normally, this benefit starts at age 65; however, you may choose to start receiving it any time once you reach age 55. If you choose to begin collecting a pension on or after age 55 but before age 65, it will be reduced as described in the **Early Retirement** section. If you are vested and under age 55 at the time you terminate, instead of receiving a deferred pension you may choose the portability option (Refer to the heading What Is the Portability Option? below).

How is a Deferred Pension Calculated?

Your monthly deferred pension is calculated in one of two ways, depending on your age when you begin to receive your pension.

Age 65 or Older: If your deferred pension begins after you have reached age 65, the monthly amount of your deferred pension is calculated the same way as a normal retirement pension.

Before Age 65: If your deferred pension begins before you reach age 65, the monthly amount of your deferred pension is calculated the same way as a normal retirement pension, reduced by one-half of 1% for each month the start date of your pension precedes age 65.

What is the Portability Option?

The portability option permits you to transfer the lump sum value of your deferred pension to:

- A locked-in retirement savings vehicle specified defined under provincial pension law (for example, a locked-in retirement account or locked-in RRSP);
- The pension plan of a new employer if that plan permits; or
- An insurance company to purchase an immediate or deferred annuity that will not begin before age 55.

The portability option is only available to those who terminate participation before age 55.

Any funds transferred under the portability option must continue to be locked-in and used to provide a retirement benefit. The law does not permit you to take these funds as a lump-sum cash payment.

You should be aware that if you choose the portability option, you will not be entitled to any further benefits in respect of your participation before the transfer. If you later return to employment, you will be treated as a new employee, and you must again satisfy the requirements to become a participant.

When you terminate your participation in the Plan, the rules of the Plan as they existed on the date you terminate your employment with your last contributing employer will be used to determine your entitlement.

Please contact the Fund Office for details on this option.

How is My Pension Paid?

You will receive your pension in the form of equal monthly payments. However, if your monthly pension at age 65 is less than the specified percentage of the YMPE in effect at the time of your termination, the Trustees will pay you a single cash payment which is equal to the value of your monthly pension entitlement. The specified percentage is based on provincial pension legislation and varies from province to province, while the YMPE is the yearly maximum pensionable earnings set by the federal government on which your CPP/QPP contributions are based. For example, B.C. members who terminate membership in 2010 will receive a single cash payment if their monthly pension payable at age 65 is less than 1/12 of 10 percent of the YMPE for 2010 or if the commuted value of their pension benefit does not exceed 20% of the YMPE for 2010 (the YMPE for 2010 is \$47,200 – so 1/12 of 10 percent of that amount is \$393.33, or 20% of that amount is \$9,440).

How your pension is paid is based on whether or not you have a spouse on the date your pension begins.

Generally, you will be considered to have a spouse if you are married or have been in a common-law relationship for a period of time. However, each province in Canada has a specific legal requirement defining marriage, common-law relationships and separation. Please contact the Fund Office for additional information regarding the definition of a spouse in your province.

What if I Have a Spouse on the Date My Pension Begins?

If you have a spouse as defined by law on the date your pension begins, your normal, early, deferred, or disability retirement pension must be paid as a 60% joint and survivor benefit. This gives you a reduced monthly pension during your lifetime. Then, when you die, your spouse will receive 60% of the pension you were receiving. The amount of the reduction depends on your age, and your spouse's age when payments begin and is determined so that the benefit payable in the joint and survivor form will be equal in value to the pension payable to the participant who, upon retirement, does not have a spouse.

Generally, the joint and survivor pension amount will be 88.2% of the unreduced pension. This factor will be increased by 0.5% for each year your spouse is older than you, and decreased by 0.5% for each year your spouse is younger than you. For example, if your spouse is two years younger than you, then

the amount of the joint and survivor pension payment will be 87.2% of the unreduced pension amount to which you are entitled. The factor will never be greater than 99%.

You and your spouse may waive the payment of the joint and survivor benefit by submitting a Spousal Waiver Form to the Fund Office. It must be signed by you and your spouse, and a witness who is not related, in any way, to you or your spouse. This waiver must be filed with the Fund Office before payment of your benefit commences.

Once you file a Waiver Form, you will be eligible to receive your pension benefit as though you did not have a spouse. This includes being able to select one of the other optional forms of payment listed below, if you retire on a regular, reduced, early, or deferred pension. Please keep in mind that once you have selected and begun receiving a pension you may not change the payment format.

Optional Form—Joint and Survivor Option

You may also choose to receive payments in the form of a 75% or 100% joint and survivor pension. This means you will receive a monthly pension for as long as you live, and your surviving spouse will receive a percentage of the pension upon your death. For example, if you choose the 100% joint and survivor option, upon your death, your spouse will receive 100% of the amount you were receiving before your death for the remainder of his or her lifetime.

If you elect the 75% joint and survivor pension option, then your monthly pension will be reduced to 85% of the unreduced pension to which you are entitled. This factor will be increased by 0.5% for each year your spouse is older than you, and decreased by 0.5% for each year your spouse is younger than you. In no event will the adjustment factor for the 75% joint and survivor pension exceed 97%.

If you elect the 100% joint and survivor pension option, then your monthly pension will be reduced to 81% of your normal retirement pension. This factor will be increased by 0.7% for each year your spouse is older than you, and decreased by 0.7% for each year your spouse is younger than you.

In no event will the adjustment factor for the 100% joint and survivor pension exceed 96%.

Survivor Benefits

In order to elect either of these optional forms of payment, you must file a written request with the Fund Office prior to the date your pension is scheduled to begin. See **Applying for Benefits** section for further details.

What if I Don't Have a Spouse on the Date My Pension Begins?

Your normal, early, disability or deferred retirement pension will be paid to you in equal monthly payments for as long as you live, with a minimum guarantee of 60 monthly payments. If you die before receiving 60 monthly payments, your beneficiary or estate will continue to receive benefit payments until the balance of the 60 guaranteed payments has been paid. If you die after receiving 60 monthly payments, your pension payments will cease with the last payment payable in the month of your death.

Your beneficiary is the person or persons you have designated to receive benefits from the Plan upon your death.

Optional Form—10-Year Guarantee

This option gives you a monthly pension payment for as long as you live, with the first 120 monthly payments guaranteed. If you die before receiving 120 payments, your beneficiary will continue to receive benefits until a total of 120 monthly payments, before and after your death, have been made. If you die after receiving at least 120 monthly payments, your pension payments will cease with the last payment payable in the month of your death.

If you elect this option and you are age 65, the amount of your monthly pension benefit will be 94% of the unreduced pension to which you are entitled. This factor will be decreased by 0.9% for each year that you are older than age 65. For each year that you are younger than age 65, the factor will be increased by 0.4%. The factor will never exceed 99%.

For example, if you are age 66 when you retire and elect the ten year guarantee form of payment, the pension payments you receive would be 93.1 % of the unreduced pension to which you would have been entitled.

In order to elect this optional form of payment, you must file a written request with the Fund Office prior to the date your pension is scheduled to begin. See **Applying for Benefits** section for further details.

Is My Spouse Protected if I Die Before I Retire?

If you are vested and die before you retire, your spouse (providing he/she meets the definition of spouse as defined by law) is entitled to a pre-retirement spouse's benefit. The benefit is payable as an immediate monthly pension for the lifetime of your spouse. The value of this monthly pension is equal to the lump sum value of the benefits you have earned to the date of your death.

Depending on the province in which you live, your spouse may have the option of receiving this benefit as a lump sum cash payment or transferring the lump sum amount under the portability option. (See *What Is the Portability Option?* section above). Your spouse will be advised of the available option at the time of application for benefit.

If you are employed in Ontario, British Columbia, or Manitoba, you and your spouse may waive the payment of the pre-retirement spouse's benefit by submitting a Spousal Waiver Form to the Fund Office. Once you file the waiver form with the Trustees, your spouse will not be eligible for the pre-retirement spouse's benefit, and you can designate a beneficiary for the pre-retirement death benefit explained below.

What Happens to My Benefits if I Don't Have a Spouse?

If you are vested, and die before you retire, and you do not have a spouse eligible for the pre-retirement spouse's benefit, your beneficiary is entitled to receive the pre-retirement death benefit. This benefit is payable to your beneficiary (or estate if you have not designated a beneficiary) as a single lump sum which is equal to the value of the benefits you earned up to the date of your death.

Applying for Benefits

How Do I Apply For Benefits?

Payment of a pension benefit from this Plan is not automatic. You must apply for the benefit by completing and submitting the necessary forms. It's recommended that you begin the application process three months prior to your planned retirement date to avoid any delays of your monthly payment. Pension application forms are available from the Fund Office. As soon as the Fund Office receives your request for an application, they will mail you a package with the application and detailed instructions on how to complete it. You will be required to submit proof of age for both yourself and your spouse and proof of marriage, if applicable. When you complete the application and have attached the required proofs of age and marriage, you should sign the application and return it to the Fund Office. The Fund Office will acknowledge receipt of your application and will notify you if any additional information is needed.

How Does My Spouse or Beneficiary Apply for a Benefit?

As soon as possible after your death, your spouse or beneficiary should contact the Fund Office in writing and submit a copy of your death certificate, funeral statement or a copy of a police report, if applicable. Your spouse or beneficiary will be asked to submit proof of age and will be advised if additional information or proof is required. Your spouse or beneficiary should write to the Fund Office with any questions concerning eligibility for survivor benefits. The Fund Office will help in every way possible with the application.

Other Information

What Happens if I Work After Retirement?

If you retire before age 65, you can work in other industries and continue to receive your pension. However, your retirement benefits will be suspended for the calendar months you work if you are:

1. Working for any contributing employer or any employer in the same or relates business, as any contributing employer,
2. Self-employed in the same or related business as a contributing employer; or

3. Employed or self-employed in any business which is or may be under the jurisdiction if the Union

If you do engage in the type of work listed in 1, 2 or 3 above, your pension will be cancelled for the month or months in which you worked. You are required to notify the Fund Office within 21 days after returning to such employment. If you don't notify the Fund Office and you are younger than age 65, your benefits may be cancelled for an additional six months.

After age 65, your pension will only be suspended for any months during which you work in the industry using the skills learned in your craft and within the geographic area covered by this Plan.

If your retirement benefits are stopped because you have gone back to work in one of the categories listed above, your benefits will begin again once you have let the Fund Office know that you have stopped working. Please contact the Fund Office for further details on the suspension of pension benefits.

Can I Assign My Benefits?

No. The Plan contains a provision prohibiting any form of assignment, sale, transfer, attachment, or garnishment of your pension benefit (except in the case of marriage breakdown). Also, your pension cannot be used as security for a loan or mortgage.

How Will I Know What My Benefits Are Under This Plan?

All of the records of the Plan are kept in such a manner that each participant's records will, be updated regularly. Each year, the Fund Office will send you a statement of the benefits accumulated for you under the Plan as well as your status in the Plan. To ensure that your records are accurate and up-to-date, you should keep the Fund Office advised of any changes in your marital status and your mailing address.

Will the Benefits Provided Under This Plan Affect My CPP/QPP Benefits in Anyway?

No. The benefits provided under this Plan are in addition to any CPP/QPP benefits which you may be eligible to receive.

What if I Got a Divorce, Annulment or Separation?

If you get a divorce, annulment or separation from your spouse, the allocation of your pension benefit will be subject to the applicable provincial family/pension law. If your ex-spouse is entitled to any portion of your benefit in accordance with the applicable provincial family/pension law, the benefit to which you are entitled will be adjusted accordingly.

Income Tax Items

The contributions made by the Employers are recorded on the Income Tax reporting to the Canada Revenue Agency each year. Under the Income Tax Act, these contributions reduce the amount of allowable RRSP contributions you can make. Your RRSP allowable contribution levels are reported to you each year, when your Income Tax return is processed.

General Information

The name, business address and phone number of the Fund Administrator who handles the day-to-day operations of the fund is:

Gary J. Meyers
IUPAT Industry Pension Plan (Canada)
Fiddlers Green Postal Office Outlet
PO Box 81032
Ancaster, Ontario L9G 4X1
Telephone: 800-554-2479

The names, titles and business addresses of the Canadian trustees are:

UNION TRUSTEES

James A. Williams, Co-Chairman
General President /
IUPAT Industry Pension Fund
7234 Parkway Drive
Hanover MD 21076

Robert Kucheran
General Vice President / IUPAT
c/o Local Union 205
1430 Osprey Drive
Ancaster Ontario L9G 4V5

Bill Nicholls
Business Manager / Secretary Treasurer
c/o District Council 46
130 Toro Road
Toronto, Ontario M3J 3M9

EMPLOYER TRUSTEES

Aristotle G. Aivaliotis, Co-Chairman
Avalotis Corporation
400 Jones Street, P.O. Box 6
Verona, PA 15147-1298

Adolf Gust
Tempo Insulation &
Drywall Co LTD
59 Romina Drive, Suite 201
Concord, Ontario L4K 4Z9

Richard Pazdzierski
Seaside Painters & Sandblasters, Inc
10095 - 179th Street
Surrey, British Columbia V4N 4J7

For the purposes of maintaining the Fund's fiscal records, the year-end date is December 31st. The Board of Trustees has been designated as the agent for the service of legal process

APPENDIX A – BENEFITS EARNED BEFORE 2010

Normal Retirement Pension Accrued From January 1, 2000 to December 31, 2009

The monthly amount of your normal retirement pension for benefits earned from January 1, 2000 up to December 31, 2009 depends on the following factors:

- The number of units of credit for each Contribution Rate; and
- The benefit rate that is applicable for each Contribution Rate (described below).

The *Contribution Rate* used to determine your pension benefit is part of the agreement negotiated by your local. The Fund Office keeps track of each local negotiated contribution rate and the number of hours applicable to each contribution rate.

Each year the Fund Office will determine your pension benefit earned in that year based on:

- Your Contribution Rate;
- The number of units of credit at each Contribution Rate; and
- The benefit rate payable at each Contribution Rate.

CONTRIBUTION RATE / BENEFIT RATE FOR BENEFITS EARNED FROM JANUARY 1, 2000 TO DECEMBER 31, 2009

Employer Contribution Rate Per hour	Monthly Benefit Rate in Effect as of January 1, 2000 Per Unit of Pension Credit
\$0.25	\$1.16
\$0.50	\$2.31
\$0.75	\$3.33
\$1.00	\$4.29
\$1.25	\$5.20
\$1.50	\$6.03
\$1.75	\$6.79
\$2.00	\$7.50
\$2.25	\$8.43
\$2.50	\$9.37
\$2.75	\$10.31
\$3.00	\$11.25
\$3.25	\$12.18
\$3.50	\$13.12
\$3.75	\$14.06
\$4.00	\$15.00
\$4.25	\$15.93
\$4.50	\$16.87
\$4.75	\$17.81
\$5.00	\$18.74

NOTE: An expanded table based on employer contribution rates at 4 cent intervals is set out at the end of this Appendix A.

Example:

Antonio at age 30 started to contribute to the Fund on January 1, 2007. His contribution rate was \$1.00 an hour and contributions were made on his behalf for 1,850 hours or 12 units of credit. As you can see in the above table, the monthly amount of normal retirement pension earned in 2007 would be \$51.48 (\$4.29 times 12).

For each year up to December 31, 2009, Antonio would be credited with more units of credit and contribution rates. By the time he retires, the Fund Office would add together the credits accumulated each year for each contribution rate to determine Antonio's monthly pension amount.

Mergers

The table on the left shows the monthly benefit rate for each unit of pension credit for various employer contribution rates and represents the "standard level" of benefits. Benefit amounts for certain participants may be different if the participant was a member of a group that joined the Plan as the result of a merger.

The level of benefit depends on many factors such as age, service, and contribution rate of the new group compared to the averages of employees already in the Plan. The Trustees may apply a higher "super-standard" benefit level or a lower "substandard" benefit level based on recommendations from an actuary. If you were part of a merger, please contact the Fund Office for more information on your benefits.

Normal Retirement Pension Accrued To December 31, 1999

Your early, disability, and deferred retirement pension will be based on your normal retirement pension earned to December 31, 1999, reduced or adjusted using the provisions described in other sections of your old copy of the Summary Plan Description given to you when you became a member of the plan (prior to December 31, 1999). Your normal retirement pension will be based on the pension formula set out in Table I of your last Booklet. A complete description of the calculations is also included in this Booklet and the table used for calculations may be found in this Appendix.

To assist you in understanding the process, we have provided you with the steps used when calculating the pension you earned up to December 31, 1999. Your pension will be based on:

- The total units of pension credit you earned before and after the Contribution Period before December 31, 1999 (defined on page 3 of the last Summary Plan Description);
- The weighted average of the contribution rates in effect during the time you last earned twelve units of pension credit before December 31, 1999; and

- The benefit rate from the last Summary Plan Description used for determining your benefits.

If you have misplaced your copy, please write to the Fund Office. We've provided a copy of the entire table at the end of this Appendix A.

IUPAT Industry Pension Plan (Canada) Pension Credits Earned Up To December 31, 1999

Contribution Rate	Monthly Regular Pension (360 units)		
	For Active Employees as 1/1/88	Credits Earned Between	
		1/1/88 & 12/31/89	1/1/90 & 12/31/99
	A	B	C
\$0.50	\$499.50	\$549.50	\$475.50
\$0.75	\$721.50	\$793.50	\$686.50
\$1.00	\$929.00	\$1,022.00	\$884.50
\$1.25	\$1,123.50	\$1,236.00	\$1,069.50
\$1.50	\$1,303.50	\$1,434.00	\$1,241.00
\$1.75	\$1,469.50	\$1,616.50	\$1,399.50
\$2.00	\$1,622.00	\$1,784.00	\$1,544.50

Example:

Joseph has earned 250 units of pension credit during the contribution period up to December 31, 1999, of which 133 units were earned prior to January 1, 1988, 27 units were earned during 1988 and 1989 and 90 units were earned after January 1, 1990. The weighted average of his contribution rates during the last twelve months earned prior to January 1, 2000 was \$1.75. Here's how his frozen pension is calculated:

For pre-1988 units of pension credit: 133 ~ 360 = 36.9%
 (Column A: \$1.75 = \$1,469.50) 36.9% x \$1,469.50 = **\$542.25**

For pension credit earned between Jan 1, 1988 & Dec 31, 1989: 27 ~ 360 = 7.5%
 (Column B: \$1.75 = \$1,616.50) 7.5% x \$1,616.50 = **\$121.24**

For pension credit earned between Jan 1, 1990 & Dec 31, 1999: 90 ~ 360 = 25%
 (Column C: \$1.75 = \$1,399.50) 25% x \$1,399.50 = **\$349.88**

Joseph's frozen normal retirement pension is the sum of the three amounts which equal \$1,013.37 (\$542.25 + \$121.24 + \$349.88). Since the Plan rounds all pension benefits to the next higher \$0.50, Joseph's

monthly regular pension would be \$1,013.50. Remember, this is just for the period up to December 31, 1999. Anything earned under the new formula will be in addition to this amount.

If we assume that Joseph was age 60 as of December 31, 1999, and suppose Joseph continues to work and contribute until age 65. He would be entitled to the following monthly pension for the contributions made on his behalf (see table on page 18 of the booklet):

AGE	CONTRIBUTION RATE	CONTRIBUTORY HOURS	UNITS OF PENSION CREDIT	MONTHLY PENSION
60	\$1.75	1500	10	\$67.90
61	2.00	1800	12	\$90.00
62	2.00	1800	12	\$90.00
63	2.25	1200	8	\$67.44
64	2.50	1200	8	\$74.96
TOTAL				\$390.30

Joseph's normal monthly retirement pension would be \$1,013.50 + \$390.30 = \$1,403.80 (rounded up to \$1,404.00).

Earning Credit for Pensions

How Does My Credit Count?

The time you work for a Contributing Employer counts in three important ways:

- It counts towards becoming a participant in the Plan;
- It determines when you are eligible for a benefit; and
- For benefits earned prior to 2010, your working time, measured in units of pension credit and your contribution rate, determines how much your benefit will be.

When Do I Earn Pension Credits?

You earn pension credits while working for an employer who makes contributions to the Fund under a Collective Bargaining Agreement or equivalent agreement with the Trustees. This period of time is called the Contribution Period. A pension credit is equal to 150 contribution hours. A contribution hour is one hour of work performed for an employer accepted by the Trustees as a contributor to the Plan.

Am I Eligible for Pension Credit For Employment Prior to the Contribution Period?

If you were a Plan participant before January 1, 2000 and worked for a Contributing Employer, you may be eligible for pension credits for your earlier service. This is covered in the **Retirement Pension Accrued to December 31, 1999** section.

How Do I Earn Credit?

You earn pension credit in each calendar year based on the number of hours for which your employer contributes to the Fund on your behalf. One unit of pension credit is earned for every 150 of contribution hours worked. The Fund must receive your employer's contributions in order for you to earn pension credits. The following table demonstrates how your credits increase with the hours you work.

Hours of Covered Employment on the Calendar Year	Number of Units of Credit
Fewer than 150	0
150 – 299	1
300 – 449	2
450 – 599	3
600 – 749	4
750 – 899	5
900 – 1,049	6
1,050 – 1,199	7
1,200 – 1,349	8
1,350 – 1,499	9
1,500 – 1,649	10
1,650 – 1,799	11
1,800 – 1,949	12
1,950 – 2,099	13
2,100 – 2,249	14
2,250 – 2,399	15
2,400 – 2,549	16
2,550 – 2,699	17
etc.	

Example:

Bill's employer began making contributions to the Fund on his behalf on July 1, 2004. As you can see in the table below, Bill, by the end of 2007, had earned 41 pension credits.

YEAR	BILL'S HOURS	PENSION CREDITS
2004	1,120	7
2005	1,250	8
2006	1,985	13
2007	1,985	<u>13</u>
		41

What Is the Maximum Number of Pension Credits I Can Earn?

There is no maximum on the total number of units of pension credit you may earn under the Plan over your working career or in any one year.

Expanded Table For: Pension Credits Earned From January 1, 2000 To December 31, 2009

EMPLOYER CONTRIBUTION RATE PER HOUR	MONTHLY BENEFIT RATE PER UNIT OF PENSION CREDIT	EMPLOYER CONTRIBUTION RATE PER HOUR	MONTHLY BENEFIT RATE PER UNIT OF PENSION CREDIT
\$0.05	\$0.24	\$2.55	\$9.56
\$0.10	\$0.47	\$2.60	\$9.75
\$0.15	\$0.70	\$2.65	\$9.94
\$0.20	\$0.93	\$2.70	\$10.13
\$0.25	\$1.16	\$2.75	\$10.31
\$0.30	\$1.39	\$2.80	\$10.50
\$0.35	\$1.62	\$2.85	\$10.69
\$0.40	\$1.85	\$2.90	\$10.88
\$0.45	\$2.08	\$2.95	\$11.07
\$0.50	\$2.31	\$3.00	\$11.25
\$0.55	\$2.52	\$3.05	\$11.44
\$0.60	\$2.73	\$3.10	\$11.63
\$0.65	\$2.93	\$3.15	\$11.81
\$0.70	\$3.13	\$3.20	\$12.00
\$0.75	\$3.33	\$3.25	\$12.18
\$0.80	\$3.53	\$3.30	\$12.37
\$0.85	\$3.72	\$3.35	\$12.56
\$0.90	\$3.91	\$3.40	\$12.75
\$0.95	\$4.10	\$3.45	\$12.94
\$1.00	\$4.29	\$3.50	\$13.12
\$1.05	\$4.48	\$3.55	\$13.31
\$1.10	\$4.66	\$3.60	\$13.50
\$1.15	\$4.84	\$3.65	\$13.69
\$1.20	\$5.02	\$3.70	\$13.88
\$1.25	\$5.20	\$3.75	\$14.06
\$1.30	\$5.37	\$3.80	\$14.25
\$1.35	\$5.54	\$3.85	\$14.44
\$1.40	\$5.71	\$3.90	\$14.63
\$1.45	\$5.87	\$3.95	\$14.82
\$1.50	\$6.03	\$4.00	\$15.00
\$1.55	\$6.19	\$4.05	\$15.19
\$1.60	\$6.34	\$4.10	\$15.38
\$1.65	\$6.49	\$4.15	\$15.56
\$1.70	\$6.64	\$4.20	\$15.75
\$1.75	\$6.79	\$4.25	\$15.93
\$1.80	\$6.94	\$4.30	\$16.12
\$1.85	\$7.08	\$4.35	\$16.31
\$1.90	\$7.22	\$4.40	\$16.50
\$1.95	\$7.36	\$4.45	\$16.69
\$2.00	\$7.50	\$4.50	\$16.87
\$2.05	\$7.69	\$4.55	\$17.06
\$2.10	\$7.88	\$4.60	\$17.25
\$2.15	\$8.06	\$4.65	\$17.44
\$2.20	\$8.25	\$4.70	\$17.63
\$2.25	\$8.43	\$4.75	\$17.81
\$2.30	\$8.62	\$4.80	\$18.00
\$2.35	\$8.81	\$4.85	\$18.19
\$2.40	\$9.00	\$4.90	\$18.37
\$2.45	\$9.19	\$4.95	\$18.56
\$2.50	\$9.37	\$5.00	\$18.74

Expanded Table For: Pension Credits Earned Up To December 31, 1999

CONTRIBUTION RATE	--- MONTHLY REGULAR PENSION (360 units) ---		
	FOR ACTIVE EMPLOYEES AS OF 1/1/88	CREDIT EARNED BETWEEN	
	A	1/1/88 & 12/31/89 B	1/1/90 & 12/31/99 C
\$0.05	\$50.50	\$55.50	\$48.00
\$0.10	\$100.50	\$110.50	\$95.50
\$0.15	\$150.50	\$165.50	\$143.00
\$0.20	\$200.00	\$220.00	\$190.50
\$0.25	\$250.00	\$275.00	\$238.00
\$0.30	\$300.00	\$330.00	\$286.00
\$0.35	\$350.00	\$385.00	\$333.00
\$0.40	\$400.00	\$440.00	\$380.50
\$0.45	\$449.50	\$494.50	\$428.00
\$0.50	\$499.50	\$549.50	\$475.50
\$0.55	\$544.50	\$599.00	\$518.00
\$0.60	\$588.00	\$647.00	\$560.00
\$0.65	\$633.00	\$696.50	\$602.50
\$0.70	\$677.00	\$744.50	\$644.50
\$0.75	\$721.50	\$793.50	\$686.50
\$0.80	\$763.00	\$839.00	\$726.00
\$0.85	\$804.00	\$884.50	\$766.00
\$0.90	\$846.00	\$931.00	\$805.50
\$0.95	\$887.50	\$976.50	\$845.00
\$1.00	\$929.00	\$1,022.00	\$884.50
\$1.05	\$968.00	\$1,065.00	\$922.00
\$1.10	\$1,007.00	\$1,107.50	\$959.00
\$1.15	\$1,045.50	\$1,150.00	\$995.50
\$1.20	\$1,085.00	\$1,193.50	\$1,033.00
\$1.25	\$1,123.50	\$1,236.00	\$1,069.50
\$1.30	\$1,159.50	\$1,275.50	\$1,104.00
\$1.35	\$1,195.50	\$1,315.00	\$1,138.50
\$1.40	\$1,231.50	\$1,354.50	\$1,172.50
\$1.45	\$1,267.50	\$1,394.00	\$1,207.00
\$1.50	\$1,303.50	\$1,434.00	\$1,241.00
\$1.55	\$1,337.00	\$1,470.50	\$1,273.00
\$1.60	\$1,370.00	\$1,507.00	\$1,304.50
\$1.65	\$1,403.50	\$1,544.00	\$1,336.50
\$1.70	\$1,436.50	\$1,580.50	\$1,368.00
\$1.75	\$1,469.50	\$1,616.50	\$1,399.50
\$1.80	\$1,501.00	\$1,651.00	\$1,429.00
\$1.85	\$1,531.00	\$1,684.00	\$1,457.50
\$1.90	\$1,561.00	\$1,717.50	\$1,487.00
\$1.95	\$1,592.00	\$1,751.00	\$1,516.00
\$2.00	\$1,622.00	\$1,784.00	\$1,544.50

