

COPE Union Pension Plan



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Important Notice:

This booklet describes the Plan in a simple and easy to read manner. It is a summary of those parts of the COPE Union Pension Plan (Plan) that most often attract questions. The booklet does not purport to be the full text of the Plan.

There is a complete Plan Text and a Trust Agreement which contain all of the provisions of the Plan. You may view a copy of these documents at the office of the Plan Administrator. If there is any omission in this booklet or a conflict between this booklet and the wording in the Plan Text and Trust Agreement, the Plan Text and Trust Agreement will prevail.

The provisions of the Plan may be amended from time to time, although no amendment can be made that would allow for any part of the Fund to be diverted to purposes other than for the exclusive benefit of Plan Members, their eligible spouses and other beneficiaries.

This booklet reflects a summary of the rules that were in place in May 2015.

COPE UNION PENSION PLAN

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TO MEMBERS OF THE COPE UNION PENSION PLAN

The COPE Union Pension Plan shall, through judicious management and cost effective, prudent investment, conserve and enhance the Fund's assets in a manner designed to secure optimal retirement resources for each beneficiary. To this end, the Trustees are committed to accept relevant educational challenges, seek expert professional guidance as well as dialogue fully with and act consistently in the best interests of Plan Members.

The Plan is a multi-employer defined contribution pension plan regulated and administered in accordance with the *Income Tax Act* (Registration No.: 0440859) and the *B.C. Pension Benefits Standards Act* (Registration No.: P085452).

The Pension Plan became effective on July 1, 1981 as a result of the Collective Agreement between the Office and Professional Employees International Union, Local 15 and Trade Union Offices in British Columbia.

The present Plan was created as a result of a merger of two predecessor Plans: the *OTEU Local 15 Pension Plan* and the *Master Trade Union Sector Pension Plan*. Effective January 1, 2003, the newly formed Plan was called the **OPEIU Local 15 Pension Plan**.

The Board of Trustees later changed the Pension Plan name to the **Canadian Office and Professional Employees Union (COPE) Local 15 Pension Plan** effective January 1, 2005, and to the **COPE Union Pension Plan** effective June 24, 2014.

The current 5 Trustees of the Plan are:

- Sheila Morrison, Chair
- Colleen Morlan
- Gail Nichol
- Bill Nielsen
- Deborah Rhein

A BRIEF OUTLINE OF THE COPE UNION PENSION PLAN

PLAN OPERATIONS

1. Trustees

The Plan is operated on your behalf by 5 Trustees who are all Members of your Union, COPE Local 378. The Plan is governed by a Trust Agreement which sets out the duties and responsibilities of the Trustees and by the Plan Text which sets out all of the provisions of the Plan, including eligibility for benefits and the amount of benefits that are payable under various circumstances.

2. Plan Administrator

The Trustees have appointed D.A. Townley to administer the Plan on their behalf which means that the Plan Administrator is responsible for maintaining individual Member records, receiving contributions for deposit in the Trust Fund and calculating benefits. The Plan Administrator is also responsible for issuing annual statements to all Members in the Plan.

TRUST FUND

Contributions received by the Plan Administrator are deposited to a Trust Fund held by the Plan's Custodian, RBC Investor Services. The money is invested by Leith Wheeler Investment Counsel, an investment manager appointed by the Trustees. A small amount of cash will be kept in the Trust Fund to pay current expenses and benefits as they arise.

ELIGIBILITY AND CONTRIBUTIONS

ELIGIBILITY FOR MEMBERSHIP

Membership in the Plan was automatic for all Members of the Union who were Plan Members of either of the two predecessor Plans.

All new employees who are covered by a Collective Agreement between a participating employer and the Union hired after January 1, 2003 who are also Members of the Union will automatically become Members of the Plan from their date of employment.

All Members must complete an enrollment card so that the Plan Administrator can maintain accurate and up-to-date records.

CONTRIBUTIONS

EMPLOYER AND EMPLOYEE CONTRIBUTIONS

Employer Contributions to the Plan are made on behalf of Active Plan Members at the rate set out in the relevant Collective Agreement between the Employer and the Union.

Some Active Plan Members are required under their Collective Agreement to make mandatory contributions to the Plan, which are in addition to the contributions made by their Employer. These contributions are known as **Employee Contributions**.

All Employer and Employee Contributions (together "**Required Contributions**") are paid into the Trust Fund and allocated to an individual's Member Account in the Plan. At each year end, Credited Interest is allocated to the Member Account.

Amounts deducted by the Employer from Active Plan Members' remuneration and other amounts due to the Plan by the Employer are required by law to be kept separate and apart from the Employer's own moneys and are deemed to be held in trust.

VOLUNTARY CONTRIBUTIONS

Active Plan Members may make additional tax deductible Voluntary Contributions to the Plan. This can be done via a payroll contribution via the Active Plan Member's employer, or directly to the Plan Administrator.

With the Trustees' prior approval, the Plan will accept transfers of registered money from either an RRSP or another registered pension plan as a Voluntary Contribution. Should the money transferred from such a registered vehicle be subject to lock-in provisions of applicable pension legislation or under the provisions of the Plan from which the money is being transferred, the money will continue to be subject to those lock-in provisions.

All Voluntary Contributions will be credited to the individual's Member's Voluntary Account and will be credited with interest at each year-end.

Please note that the amount of Voluntary Contributions when combined with the Required Contributions made to the Plan cannot exceed the maximum allowable under the Income Tax Act in any Plan year.

Further, every time you make a Voluntary Contribution to the Plan, the amount of contributions that you can make to your personal Registered Retirement Savings Plan (**RRSP**) is affected. Each year, your employer will issue you with a T4 that shows your "pension adjustment" or "PA". Your PA will be deducted from your allowable RRSP room.

A Plan Member may make full or partial withdrawals from his or her Member Voluntary Account at any time and on a non locked-in basis. However, please note that an administration fee will be assessed for any withdrawals made in excess of one per year.

VESTING

To be eligible for a benefit from the Plan, a Plan Member must be "Vested". Effective September 30, 2015 all active Members of the Plan will be immediately vested.

From January 1, 2003 to September 30, 2015, a Plan Member was deemed vested if he or she earned one year of Credited Service.

YEAR OF CREDITED SERVICE

Any Plan Year in which an Active Plan Member is credited with 350 or more Covered Hours of Employment. An Active Plan Member will not accumulate any part of a Year of Credited Service if he or she has less than 350 Covered Hours of Employment.

PLAN YEAR

The 12-month period commencing each January 1st.

LOCKING-IN RULES

Required Contributions that have been made to the Plan after 31 December 1992 are deemed to be “locked-in” to the Plan. This means that they are not available to Plan Members in cash but must instead be used to purchase a retirement income. There are a number of limited exceptions that may apply. Please refer to page 12 for further details.

Required Contributions made prior to this date can be “unlocked” and cashed out or transferred to a non-locked in retirement savings vehicle if desired.

As set out above, Voluntary Contributions are not locked-in.

CREDITED INTEREST

Interest will be added to the total contributions accumulated on your behalf at the same net rate that is earned by the Trust Fund. The interest amount is calculated on a market value basis. Interest can be positive or negative.

INVESTMENT OF THE TRUST FUND

The Trustees have appointed a professional money manager, Leith Wheeler Investment Counsel, to invest the Trust Fund.

Leith Wheeler Investment Counsel has discretion over what securities the Trust Fund is invested in, but in selecting the investments, must always comply with the guidelines and restrictions established by the Trustees. These investment guidelines are set out in the Trustees’ Statement of Investment Policies and Procedures. All Plan Members are entitled to view a copy of this document which is held at the office of the Plan Administrator.

PLAN EXPENSES

There are certain operational expenses associated with the Plan. These include fees paid out of the Plan to the Plan Administrator, Custodian, Investment Manager, Consultant and Auditor as well as other regulatory fees and expenses that may be payable.

Please note that the interest credited to your Member Account and Member Voluntary Account at each year end, is **net** of all Plan expenses. For details of Plan expenses, ask D.A. Townley for a copy of the Plan’s annual audited financial statements.

BENEFITS AT RETIREMENT

WHEN CAN I RETIRE?

The normal retirement age is 65. However, you may elect early retirement at any time on or after age 55 and receive your pension from the Plan. The latest date at which you must start to receive your pension is the end of the calendar year in which you turn age 71. To be eligible for any pension benefit from the Plan, you must have ceased working under the terms of the Collective Agreement.

RETIREMENT BENEFIT

Provided you are Vested in the Plan, your benefit entitlement under the Plan will equal the total of your Member Account and Member Voluntary Account (if any) plus any accumulated interest to the date of your retirement.

If you are not Vested, then you will receive a refund of any Employee Contributions and Voluntary Contributions that you have made to the Plan.

OPTIONS AT RETIREMENT

You will be given a number of options when you retire such as purchasing an annuity to provide you with a monthly pension income. If you do not wish to purchase an annuity, you can transfer your money into an RRSP, a Registered Retirement Income Fund (**RRIF**) or Life Income Fund (**LIF**). As set out above, all Employer Contributions and Employee Contributions made after December 31, 1992 are deemed to be locked-in. Locked-in refers to the fact that these funds can only be used for retirement income purposes and are not available to you in cash.

TYPES OF PENSION

- **Annuity**

An annuity is a retirement vehicle that provides you with monthly income which is based on the total amount of money in your Member Account and Member Voluntary Account (if any) and the form of pension payment that you choose. Depending on your marital status, pension forms available include: a pension for your life only or for a guaranteed period, or a pension that continues to your Spouse upon your death at the same level or a reduced level. The pension payments can also be guaranteed for a certain period such as 5, 10 or 15 years.

- **Registered Retirement Income Fund (RRIF)**

A RRIF is a registered retirement vehicle in which the money in your RRSP's can be transferred to maintain their registered (i.e. tax-exempt) status. Only the non-locked-in money from your Accounts can be transferred to a RRIF. You must receive payments each year (starting not earlier than age 55 nor later than December 31 of the year you turn 71). You must receive payments at a minimum level determined by Canada Revenue Agency (CRA), however, there is no maximum payment level. Payment levels can be changed at any time.

- **Life Income Fund (LIF)**

A LIF is a locked-in registered retirement income fund (RRIF) contract from which you must receive payments each year (starting not earlier than age 55 nor later than December 31 of the year you turn 71). The LIF is a vehicle designed to provide income from the portion of your funds that must be locked-in. The minimum and maximum amount that you must withdraw from the LIF is subject to CRA rules.

The Plan Administrator will be able to provide you with examples and descriptions of the various types of pensions closer to your expected retirement date.

SPECIAL RULES FOR MEMBERS WITH A “SPOUSE”

If you have a Spouse at the time of retirement, the law states that you must elect a form of pension which will provide him or her with at least 60% of the pension upon your death, unless your Spouse waives his or her right to this mandatory form.

“Spouse” means in relation to another person:

- (a) a person who at the relevant time was married to that other person and not living separate and apart from that other person for the two (2) year period immediately preceding the relevant time,

or
- (b) if paragraph (a) does not apply:
 - (i) a person who at the relevant time lived with that other person as husband and wife for the 2 year period immediately preceding the relevant time, or

- (ii) a person of the same gender who at the relevant time lived in a marriage-like relationship with that other person for the two (2) year period immediately preceding the relevant time.

RE-EMPLOYMENT OF A RETIRED PLAN MEMBER

If you become re-employed under the Collective Agreement subsequent to your retirement, you will be treated as if you were a new Plan Member for all new contributions made on your behalf. If you have already commenced a pension payment of some form, your pension will not be affected.

Note: Retired Members who are re-employed are *not* entitled to receive pension contributions made by the Employer on their behalf related to any hours worked after the end of the year they turn 71.

CESSATION OF MEMBERSHIP BEFORE RETIREMENT

TERMINATION BENEFIT

You will automatically become a terminated Plan Member if you work less than 350 Covered Hours of Employment in 2 consecutive Plan Years. Alternatively, you may elect to withdraw from the Plan at any time after you have ceased to be employed for 6 consecutive months under the terms of the Collective Agreement.

The Plan Administrator will examine the Membership records as at December 31st in each year and any Member who has not worked the required number of hours will be terminated on that date. You will receive a Termination Statement from the Plan Administrator that will set out the amount of your benefit in the Plan and provide you with options for payment.

WHAT OPTIONS DO I HAVE AFTER TERMINATION?

Following your termination from the Plan, you will be entitled to a non locked-in refund of your **pre-January 1, 1993** Member Account balance and all of your Voluntary Contribution Account balance plus accumulated interest up to the date of payment.

If you are Vested, your **post-January 1, 1993** Member Account balance plus interest must be used to either:

- purchase a locked-in deferred annuity, payable at your normal retirement age; or
- transfer to a locked-in RRSP; or
- transfer to another registered retirement vehicle.

DEATH BENEFITS

1. **Before Retirement**

If you die prior to your retirement from the Plan, your Spouse, or if you have no Spouse your nominated beneficiary, will receive a death benefit statement setting out the amount of the benefit payable. The death benefit payable will be the sum of your Member Account and Member Voluntary Account plus credited interest.

If you have a Spouse, the death benefit payable to him or her will be in the form of a lump sum portability transfer and your Spouse will have the same portability options as would have been provided to you under the Plan rules. The portion of the Member Account which was contributed after December 31, 1992, along with applicable Credited Interest, will be locked-in.

If you have no Spouse, or he or she has waived entitlement to the death benefit, your beneficiary will receive a lump sum cash payment. If you have no beneficiary, the benefit will be paid to your estate.

2. **After Retirement**

The benefit payable after your retirement depends on the form of pension you chose at the time of your retirement. For example, if you elected a Life Annuity with a guaranteed period, and you die prior to the expiry of the guaranteed period, then your beneficiary will receive the monthly pension until the end of the guaranteed period.

PENSION PROTECTION

GENERAL PROHIBITION

Pension benefits under the Plan cannot be assigned, charged, anticipated or given as security other than on marriage breakdown.

A Plan Member cannot surrender or commute their benefit during their lifetime, or the lifetime of their Spouse, except where the Spouse has surrendered a death benefit to a dependant beneficiary.

LIMITED EXCEPTIONS

The Plan provides for a number of limited exceptions to these rules:

1. **Disability benefit**

If you become totally and permanently disabled (as defined in the Plan Text) you will be entitled to receive a refund of your Member Account and Member Voluntary Accounts, plus accumulated interest.

2. **Shortened Life Expectancy**

If a Plan Member, or surviving Spouse has an illness or disability that is likely to considerably shorten their life expectancy, and this is certified in writing by a qualified medical practitioner, the person may apply to the Trustees' to receive their benefit as a lump sum payment rather than as a locked-in transfer. The requirements of the Board of Trustees must be satisfied prior to any transfer of this kind. For full details of these requirements, please contact the Plan Administrator.

3. **Small Account Balance**

If a Former Plan Member's Required Contributions made to the Plan after December 31, 1992, together with credited interest earned on those contributions are:

- (a) less than 20% of the Yearly Maximum Pensionable Earnings as set out in the Canada Pension Plan (YMPE) in the year of death, termination or retirement as applicable; or
- (b) of an amount that would be insufficient to buy an annual pension of 10% of YMPE in the year of death, termination or retirement as applicable,

the Former Plan Member is entitled to take that portion of his or her entitlement as a lump sum cash payment.

4. Transfers over Age 65

If a Plan Member or Former Plan Member who is entitled to a payment from the Plan has attained age 65 and if the sum of his or her total entitlements in every defined contribution pension plan, every locked-in RRSP and every prescribed retirement income fund is, in aggregate, less than 40% of the YMPE, the Former Plan Member, upon submission of the appropriate forms, can elect to have a lump sum portability transfer which will not be locked-in.

MARRIAGE BREAKDOWN

In the event of marriage breakdown, pension benefits are subject to division in accordance with applicable provincial property laws.

Pensions are a “family asset” under the Family Law Act. The division of family assets, including pension credits, comes under that legislation. Part 6 of the *Family Law Act* provides detailed procedures for valuing and dividing a pension after a marriage breakdown.

The PBSA permits the division of pension assets by a court order or an agreement between the parties. Matrimonial property orders made by a Court in BC or elsewhere in Canada are enforceable against pension assets or payments.

Your Spouse has enforceable legal rights to a share in the benefits of the Plan and BC legislation outlines what the Plan is required to do in order to protect his or her rights. In particular, the Plan Administrator must provide your former Spouse or common-law partner with a written statement that outlines the transfer options that are available to him or her.

The Trustees strongly recommend that you seek your own legal advice regarding division of your pension entitlement.

OTHER INFORMATION

TERMINATION OF THE PLAN

In the event of your Plan terminating, all Plan Members will become automatically Vested, regardless of their number of completed Covered Hours of Employment.

You will be entitled to a number of portability options under the Plan Rules.

ACCESS TO INFORMATION

All Plan Members and every other person who is entitled to pension benefits or refunds under the Plan and their Spouses or common-law partners, are permitted at least once in each Plan year to review certain documents held by the Plan Administrator.

Key information includes:

- Annual Information Returns
- Financial Statements, including Plan expenses
- Plan Texts
- Plan Amendments
- Statement of Investment Policies and Procedures

Documents may be viewed at the Plan Administrator's office. If you require photocopies of these documents, the Plan Administrator is entitled to charge you a reasonable fee.

Personal information about other Plan Members is, of course, not available.

PRIVACY POLICY

The Plan has developed and is continuing to enhance security procedures to safeguard and protect personal information against loss, theft, unauthorized disclosure, copying and unauthorized use or modification. To view our Privacy Policy in detail you can visit our website at www.datownley.com or contact our office directly at 604-299-7482. If you reside outside the Lower Mainland of British Columbia, our toll free number is 1-800-663-1356.

APPLYING FOR BENEFITS

It is your responsibility to make application to the Plan Administrator to receive benefits when you are entitled to them.

In the event that such application is late, there shall be no liability on the Pension Plan for retroactive payments.

KEEPING YOUR RECORDS UP TO DATE

When you designate someone as your beneficiary, please advise the individual. When you change your beneficiary, please advise both parties of the change.

Please request a *Member Record Card* from the Plan Administrator if you need to:

1. Change your beneficiary*

*Please note, if you have a Spouse, you must nominate him or her as your beneficiary.

2. Change your address.

3. Enrol in the Plan.

Please ensure that you date and sign the Member Record Card prior to sending to the Plan Administrator.

For further information about the Pension Plan, contact or write your Plan Administrator:

D.A. Townley

160 – 4400 Dominion Street
Burnaby, B.C. V5G 4G3

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E-mail: pensions2@datownley.com

When writing to the Plan Administrator, please provide the following information:

1. Name of Plan: COPE Union Pension Plan.
2. Your name (clearly written) as listed on your employer's payroll.
3. Your residential address and telephone number.
4. Your Social Insurance Number (first 7 digits).

