

I.W.A. - FOREST INDUSTRY PENSION PLAN: ADMINISTRATIVE STAFF

I N D E X

1. Definitions
2. Commencement Date
3. Eligibility & Enrolment
4. Contributions
5. Retirement Benefits
6. Withdrawal Benefits
7. Disability Benefits
8. Pension Fund
9. Administration
10. Non-Alienation of Benefits
11. Plan Not a Contract of Employment
12. Modification, Termination or Discontinuance of the Plan

SECTION 1

DEFINITIONS

- i. "Actuary" means a person who is a Fellow of the Canadian Institute of Actuaries, or a firm of independent actuaries, at least one of the principals of which must be an Actuary as above defined, appointed by the Employer as Actuary for the purposes of this Plan.
- ii. "Administrative Committee" shall mean the Administrative Committee described in Section 9 of the Plan.
- iii. "Commencement Date" means the date to which reference is made in Section 2 of the Plan.
- iv. "Employee" means a person hired by the Employer to work full-time in the administration of the I. W. A. - Forest Industry Pension Plan.
- v. "Employer" means the Board of Trustees of the I. W. A. - Forest Industry Pension Plan, an industry-wide pension plan having its administrative office in Vancouver, British Columbia.
- vi. "Earnings" means salary, wages and other remuneration for services as determined by the Employer under its normal practices but excludes special payments, indemnities or reimbursement for expenses.
- vii. "Final Average Earnings" means the highest average annual Earnings earned over any period of five years during the last ten years of service prior to the Normal Retirement Age.
- viii. "Final Government Maximum Earnings" in respect of any person means the average Y.M.P.E. in the five years used for calculating Final Average Earnings.

- ix. "Fund" means the Fund established to provide for the payment of the benefits described in this Plan, and shall be comprised of a trust fund, an insurance contract or contracts, or any combination thereof.
- x. "Normal Retirement Age" means age 65.
- xi. "Participant" means an Employee of the Employer who becomes a Participant pursuant to the provisions of Section 3 of the Plan and/or a Participant who, after termination of his employment with the Employer continues to have rights or contingent rights to benefits under this Plan.
- xii. "Pensionable Service" means service with the Employer on and after becoming a Participant.
- xiii. "Plan" means the Pension Plan for the Administrative Staff of the I. W. A. - Forest Industry Pension Plan.
- xiv. "Total Disability" means total disability as defined under the Long Term Disability Insurance Policy from time to time in effect between the Employer and the Insurance Company issuing such policy.
- xv. "Trust Fund" shall mean the fund established by the Employer for the purpose of accumulating and investing contributions made under the Plan and paying out the benefits provided for therein.
- xvi. "Year's Maximum Pensionable Earnings" or "Y.M.P.E." means the Year's Maximum Pensionable Earnings in force from time to time under the Canada Pension Plan.

The singular shall include the plural and the masculine gender shall include the feminine gender wherever used unless the Text requires otherwise.

SECTION 2

COMMENCEMENT DATE

- 2.1 The Commencement Date of the Plan shall be the first day of June, 1973.

SECTION 3

ELIGIBILITY & ENROLMENT

- 3.1 All Employees shall be eligible to become Participants in the Plan on entry into service with the Employer.
- 3.2 The Employer shall have the right at its sole discretion to waive any or all of the foregoing requirements of this Section with regard to any Employee for whom it deems it desirable, and appropriate, to do so.
- 3.3 Each Employee who becomes eligible to become a Participant in the Plan shall complete an application form which shall be supplied to him by the Employer, and upon delivery to the Employer of the completed application form he shall become a Participant:
- (i) as of the Commencement Date, if the Employee was an Employee of the Employer on the Commencement Date; or
 - (ii) in the case of other Employees of the Employer, as of the first day of service with the Employer, or as of the first day of the month next following the date when the application form referred to above shall have been delivered to the Employer, whichever is the later.
- 3.4 A Participant may designate on his application form a beneficiary to receive any amounts payable to a beneficiary under the provisions.

of the Plan. Such designation may be altered or revoked from time to time subject to any law governing the designation of beneficiaries but such alteration shall be valid only if made in a form satisfactory to or approved by the Administrative Committee. A Participant may designate his estate as the beneficiary.

In the event that a Participant dies leaving no living designated beneficiary, any amount payable to such Participant under the provisions of the Plan will be paid to his Estate.

- 3.5 Each Participant in the Plan shall be given a written explanation of the terms and conditions of the Plan together with an explanation of his rights and duties with reference to the benefits available to him under the terms of the Plan.

SECTION 4

CONTRIBUTIONS

4.1 No contributions shall be made to the Plan by Participants.

4.2 Employer Contributions

The Employer shall contribute to the Plan such amount as may be required, on the advice of the Actuary, to provide the benefits under this Plan.

The Contributions of the Employer shall be paid not less frequently than annually, and shall be paid into the Trust Fund not later than 30 days after the end of the fiscal period to which they relate.

SECTION 5

RETIREMENT BENEFITS

5.1 The annual pension payable to a Participant who shall have retired at or after he shall have attained his Normal Retirement Age shall be an amount determined as follows:

(1) For each completed year of Pensionable Service he will receive:

.875% of Final Government Maximum Earnings, plus

1.75% of the excess, if any, of Final Average Earnings over Final Government Maximum Earnings.

5.2 The Participant shall receive such pension by way of 12 equal monthly installments, payable on the last day of each month, commencing on the last day of the month during which the Participant attains Normal Retirement Age. Unless the Participant shall have elected an optional form of pension, such pension shall be paid for the remainder of his life. In the event of his death before he shall have received sixty monthly pension payments, the balance of such sixty monthly payments shall be paid in monthly installments to his designated beneficiary.

5.3 Maximum Pension

Notwithstanding the foregoing provisions of this Section 5, the pension payable under the Plan at the retirement of the Participant, termination of employment of the Participant, or termination of the Plan, shall not exceed the lesser of:

- (i) \$1,143 times the number of years of credited service, not exceeding 35, and
- (ii) An amount that is the product of:-

2% per year of Credited Service not exceeding 35 years, multiplied by the average of the three consecutive best years of annual remuneration paid to the Participant by the Employer

or such higher amount as permitted under the regulations of the Department of National Revenue.

5.4 Late Retirement

A Participant may, with the consent of the Employer, such consent to be given on a year-to-year basis only, remain in the service of the Employer after the attainment of his Normal Retirement Age but not beyond his 71st birthday. No benefits will be paid under this Plan so long as he remains in the service of the Employer, but on eventual retirement he shall commence to receive the pension which he would have received had he retired at his Normal Retirement Age, increased to reflect the additional service accrued after his Normal Retirement Age.

5.5 Early Retirement

A Participant may, with the consent of the Employer, after the attainment of age 55, retire early from the service of the Employer. He shall be entitled to a pension commencing at his Normal Retirement Age of an amount equal to the pension accrued in respect of service to date of actual retirement or a reduced pension commencing as of his early retirement date in an amount determined as follows:

<u>Age at Early Retirement</u>	<u>Percentage of Accrued Pension</u>
65	100%
64	97%
63	94%
62	90%
61	86%
60	82%
59	78%
58	74%
57	70%
56	66%
55	62%

5.6 Ill Health Pension

A Participant who is below the age of 55 years and who has completed 5 years service with the Employer and who by reason of ill health, as certified by a qualified medical practitioner, is unable to continue in the active service of the Employer may, with the consent of the Employer, and for reasons of such ill health retire at any time from the service of the Employer. Upon such retirement, such Participant shall be entitled to a pension commencing at his Normal Retirement Age of an amount equal to the pension accrued in respect of service to date of actual retirement or a reduced pension commencing at an earlier date, of an amount determined from the table of factors shown in Section 5.5 above, or if the commencement date shall be below age 55, equivalent value as certified by the Actuary.

In lieu of the foregoing pension he may, subject to the provisions of Section 6 hereof, elect to receive a lump sum payment calculated in accordance with the terms of the said Section 6 in the same manner as if he had withdrawn from the service of the Employer.

5.7 Optional Forms of Pension

In lieu of the pension calculated under the terms of the foregoing subsections of this Section 5, a Participant may elect, at any time prior to retirement, to receive a pension payable in one of the following forms, of an amount which the Actuary shall certify as being of equivalent value:-

- (i) A reduced pension payable during his lifetime and continuing after his death at full, three-quarters, two-thirds, or one-half rate (according to his election), to a surviving spouse or surviving dependent so long as such person shall survive him. Any election under this option shall become effective on the date of retirement, provided only that the named spouse or other dependent is still alive on that date.
- (ii) A reduced pension payable during his lifetime but guaranteed to continue in any event, whether he survives or not, for a stated period, provided that the maximum period of guaranteed monthly payments is the lessor of fifteen years, or the period from the date of retirement of the Participant to the day before the Participant's eighty-sixth birthday.
- (iii) An adjusted pension which would be of greater amount prior to commencement of any other retirement pension to which he may be entitled from the Canada Pension Plan or the Quebec Pension Plan, and a corresponding reduced amount, after such commencement, so that the total income (including both

adjusted pension payable under this Plan and the other pension to which he is entitled) shall be, as nearly as possible, uniform for as long as they are payable.

- (iv) A Participant may elect a pension in another form having an actuarial value equivalent to the value of the pension benefit otherwise payable to him. Such election shall be subjected to the approval of the Employer and shall be subject further to the provision of such satisfactory evidence of age and good health as the Employer may require.

SECTION 6

WITHDRAWAL BENEFITS

- 6.1 A Participant whose service terminates after completion of at least three years of service shall be entitled to receive a vested deferred pension commencing at age 65 in an amount determined on the basis of the pension accrued to his credit up to the date of termination, but reduced by the application of a percentage factor as follows:

<u>Completed Years of Service</u>	<u>Vested Percentage of Accrued Pension</u>
3	50%
4	60%
5	70%
6	80%
7	90%
8 or more	100%

- 6.2 Notwithstanding any of the foregoing provisions of this Section 6, if, on termination of employment, a Participant has both:

- (a) attained age 45
- and
- (b) completed ten years service with the Employer,

he shall be eligible to receive a non-commutable, non-assignable pension, commencing at his Normal Retirement Age which shall be of an amount equal to his pension accrued under the Plan up to the date of termination of employment.

- 6.3 The deferred rights of a Participant, who on termination of employment retains an entitlement to pension benefits under the Plan, will continue to be subject to all the provisions of the Plan.

SECTION 7

DISABILITY BENEFITS

- 7.1 In the event of the Total Disability of a Participant prior to his Normal Retirement Age, as determined and certified by a medical practitioner, the Participant shall continue until his Normal Retirement Age or earlier recovery or retirement to accrue Pensionable Service and pension benefits as if his Earnings had continued at the level in effect immediately prior to the onset of such Total Disability.

SECTION 8

PENSION FUND

- 8.1 The Employer shall establish a Pension Fund into which shall be paid all contributions made under the terms of the Plan. The Pension Fund shall not form any part of the revenue or assets of the Employer. The contributions of the Employer shall be paid at such times and in such amounts as shall be determined by the Employer, and as may be necessary to keep the Pension Fund actuarially sound, provided however, that no contributions by the Employer shall be paid later than 30 days following the end of the fiscal period to which they relate.
- 8.2 At no time shall any part of the corpus or income of the Pension Fund be used for, or diverted to, any purposes other than for the exclusive benefit of Participants, their contingent annuitants and beneficiaries, and the payment of administrative costs arising under the Plan. No person shall have any interest in or right to the Pension Fund or any part thereof, except as expressly provided in the Plan.
- 8.3 Each Participant or retired Participant or other person who shall claim the right to any payment under the Plan shall be entitled to look only to the Pension Fund for such payment. The payment of benefits under the Plan shall be a liability of the Pension Fund and not of the Administrative Committee, or of the Employer.
- 8.4 At least once in every three years the Employer shall cause the liabilities of the Plan to be evaluated by the Actuary who shall report to the Employer as to:

- (a) The soundness and the solvency of the Pension Fund in relation to the aforesaid liabilities;
- (b) The amount of the annual deposit by the Employer which would be sufficient to provide for currently accruing benefit liabilities.

SECTION 9

ADMINISTRATION

9.1 Administrative Committee

The Plan shall be administered as to its membership and benefit provisions by an Administrative Committee consisting of 3 members who shall be appointed from time to time by the Employer. The Administrative Committee shall have a Chairman who shall be appointed by the Employer, and it shall also have a Secretary who shall be appointed by the Administrative Committee to maintain records and minutes of all its proceedings.

9.2 The Administrative Committee shall have full power to administer the Plan, as it directly affects Participants, such powers to include, but not to be limited to, the following:-

- (a) To make and enforce such rules and regulations as it shall deem necessary or proper for the efficient administration of the Plan;
- (b) To interpret the Plan, its interpretation, being in good faith, to be final and conclusive;
- (c) To decide all questions concerning the Plan and the eligibility of any employee to participate in the Plan;
- (d) To compute the amount of benefits or other payments which shall be payable to any Participant, retired Participant, contingent annuitant or beneficiary, in accordance with the provisions of the Plan, and to determine the person or persons to whom such amounts shall be paid;

(e) To authorize all payments to be made for such purposes;

(f) To prepare accounts and records showing the detailed operation of the Plan;

and

(g) To arrange for the audit of such records and accounts by independent auditors.

9.3 Whenever, in the administration of the Plan, any action by the Administrative Committee or the Employer is required, such action shall be uniform in nature as applied to all persons similarly situated.

9.4 The Administrative Committee shall have full power to control the method of funding and the investment of the Pension Fund, subject to the terms of applicable legislation, such power to include, but not be limited to the following:

(a) To decide all questions of policy as to the custody, method of handling and investment of the Pension Fund;

and

(b) To issue instructions to the trust company or others having custody of any part of the Pension Fund with reference to the investment of any portion of it.

9.5 In administering the Plan, neither the Administrative Committee nor any member thereof, nor the Employer, nor any member thereof, nor any officer or employee thereof, shall be liable for any acts of omission or commission except for his or its own individual willful

and intentional malfeasance or misfeasance. The Employer and the Administrative Committee and the members thereof, shall be entitled to rely conclusively on all tables, valuations, certificates, opinions or reports which shall be furnished by any actuary, accountant, trustee, counsel or other expert who shall be employed or engaged by the Employer or the Administrative Committee.

SECTION 10

NON-ALIENATION OF BENEFITS

- 10.1 No benefit payable under the provisions of the Plan shall be capable in any manner of anticipation, surrender, commutation, alienation, sale, transfer, assignment, pledge, encumbrance or charge. Any attempt or agreement to so anticipate, surrender, commute, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void.

SECTION 11

PLAN NOT A CONTRACT OF EMPLOYMENT

- 11.1 This Plan shall not be deemed to constitute a contract of employment between the Employer and any employee of the Employer, or to be a consideration for the employment of any employee. Nothing in the Plan shall give any employee of the Employer the right to be retained in the employ of the Employer.

SECTION 12

MODIFICATION, TERMINATION OR DISCONTINUANCE
OF THE PLAN

- 12.1 The Employer expects and intends to maintain the Plan in force indefinitely, but necessarily reserves the right to change, or terminate the Plan at any time.
- 12.2 No change shall be effective unless the Plan as so changed shall be for the exclusive benefit of Participants and their contingent annuitants and beneficiaries and no change shall deprive any person without his consent of his right to the benefits which had accrued to his credit up to the time of such change.
- 12.3 If the Plan is discontinued the assets in the Pension Fund after meeting necessary administrative costs, shall be applied in the following order:
- (i) Provision to already retired Participants and their joint annuitants and beneficiaries of the remainder of any benefits to which they shall be entitled under the Plan;
 - (ii) Provision to Participants who shall at that time be entitled to retire normally, and to their joint annuitants and beneficiaries of the benefits to which they shall be entitled or contingently entitled under the Plan;
 - (iii) Provision to Participants who shall at that time be entitled to retire early, and to their joint annuitants and beneficiaries of the benefits to which they shall

be entitled or contingently entitled under the Plan;

- (iv) Provision to Participants who shall at that time have attained a vested status, and to their joint annuitants and beneficiaries of the benefits to which they shall be entitled or contingently entitled under the Plan;
- (v) Provision to all other Participants of the benefits to which they shall be entitled or contingently entitled under the Plan.
- (vi) Any balance remaining shall be allocated in an equitable manner at the discretion of the Administrative Committee on the recommendation of the Actuary, among Participants, retired Participants, and other recipients of benefits under the Plan.

12.4 The Employer shall have no liability to make any payments to the Pension Fund except as expressly provided in the Plan. Application by an eligible employee to become a Participant in the Plan shall constitute an express release by such eligible employee for himself, his heirs, beneficiaries, executors, trustees, administrators or other legal representatives in favour of the Employer and its members as they may be constituted at any time during the operation of the Plan, the Administrative Committee, and the custodian of the Pension Fund from any and all liability for any loss or damage whatsoever in connection with the Plan; except willful misconduct or negligence.