

# Millwrights Local 1460 Pension Plan

## Frequently Asked Questions (FAQs)

**October 2023**



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## GENERAL QUESTIONS

### When am I eligible to be a Member of the Plan?

You automatically become a Member of the Plan if you are a member in good standing of Millwrights Local 1460, or an Employee covered by a Collective Agreement under which a contribution is required to be made on your behalf to the Fund, or an Employee of the Union.

### Can I make contributions to the Plan for my retirement?

Members are neither required nor allowed to make contributions to the Plan.

### What is the Pension Accrual Formula?

- \$24.94 per years of credited past service rendered before July 1, 1972
- \$63.95 per 1,500 hours worked (max 3,500 hours) between July 1, 1972 and December 31, 2007
- \$90.00 per 1,500 hours worked between January 1, 2008 and December 31, 2013 if Membership Termination Date occurred prior to January 1, 2014
- \$95.40 per 1,500 hours worked between January 1, 2008 and December 31, 2013 if Membership Termination Date occurred on or after January 1, 2014
- \$100.00 per 1,500 hours worked on and after January 1, 2014

### Who is my Pension Partner?

In the province of Alberta, Pension Partner is defined as:

- (a) A person who, at the relevant time, is married to you and has not been living separate and apart from you for a continuous period longer than 3 years; or
- (b) If there is no person to whom paragraph (a) applies, a person who, at the relevant time, has been living with you in a marriage-like relationship for a continuous period of at least 3 years preceding the relevant time; or, in a relationship of some permanence, if there is a child of the relationship by birth or adoption.

### When will I receive my Annual Statement?

Each year the Administrator will issue the Annual Statement by the end of June.

## TERMINATION BENEFIT

### I have stopped working with Millwrights 1460, when can I take out my pension?

Your participation in the Plan terminates at the end of 2 consecutive Plan Years in which you have not completed at least 350 hours of employment, in total. In March of the following year a Termination Package will be mailed to you with your options available for terminating your membership.

# RETIREMENT BENEFIT

## At what age can I start my pension?

Age 60 is the Normal Retirement Age for the Plan, but members can retire as early as age 50 with a reduced Pension. Your pension will be reduced for each month preceding your 60<sup>th</sup> birthday:

- **Age & Pensionable Service < 84:** ¼% per month from age 58 to age 60, ½% per year prior to age 58
- **Age & Pensionable Service ≥ 84 and Age & Early Retirement Eligibility Service < 80:** ¼% per month prior to the date on which such sum, total 80.
- **Age & Pensionable Service ≥ 84 and Age & Early Retirement Eligibility Service ≥ 80:** No reduction

## I am planning to retire, when do I need to let you know?

We request you to contact us at least 45 - 60 days before you intend to retire. This provides us enough time to process your retirement request. Any request provided less than this timeframe may be required to elect a different retirement date.

## How long does the process take?

This is a two-step process, and it can take weeks to a couple of months for completion. This is dependent on how long it takes to get the required forms and if you are working up to retirement date. Our target timeframe is 45 - 60 days and is the reason why we request you contact us at least 45 - 60 days before you intend to retire. Any request provided less than this timeframe may be required to elect a different retirement date.

## How would returning to work after retirement affect my pension?

If you are a Pensioner and recommence employment covered by the Plan after retirement, **once each calendar year** you may elect one of the following options:

- a) Pension payments will continue, and you will be ineligible to be re-designated as an active Member. This means you will not receive additional pension accrual for the hours worked after your retirement.
- b) Pension payments will be suspended, and you will become an active Member on the first day of the month following your election of this option. Upon subsequent retirement, the pension will be recalculated including the extra pension accrual, and the extension of any guarantee periods prior to suspension will be applied.

If no election is submitted in writing to the Trustees within 30 days following your re-employment, it will be deemed you have chosen option a).

For scenario a) and for scenario when you cease pension accrual on November 30<sup>th</sup> in the year you turn 71, pension contributions will be paid directly to you as a separate hourly payment exclusive of other wage-related earnings.

### Does my pension automatically start when I turn 60?

You must apply for your pension; it will not automatically start. We will send you reminder letter(s) as you approach your Unreduced Retirement Age and/or Normal Retirement Age. We request that you apply for retirement at least 45 - 60 days in advance to give us enough time to process your retirement otherwise you may be required to elect a different retirement date.

### What are my pension options?

The pension amount under each option is calculated to reflect actuarial equivalence.

**Life Annuity - No Guarantee:** A monthly pension payable for your lifetime. The pension ceases when you die.

**Life Annuity Guaranteed for Five (5) Years (60 months):** A monthly pension payable for your lifetime and guaranteed for 60 months. If you die before receiving 60 monthly pension payments, your beneficiary will be entitled to receive the remaining payments. If you die after receiving 60 or more monthly payments, your pension ceases when you die.

**Life Annuity Guaranteed for Ten (10) Years (120 months):** A monthly pension payable for your lifetime and guaranteed for 120 months. If you die before receiving 120 monthly pension payments, your beneficiary will be entitled to receive the remaining payments. If you die after receiving 120 or more monthly payments, your pension ceases when you die.

**Life Annuity Guaranteed for Fifteen (15) Years (180 months), or a Maximum Age of Eighty (80):** A monthly pension payable for your lifetime and guaranteed for 180 months, or the period from the date of your retirement to the date of your 80<sup>th</sup> birthday, whichever is less. If you die before receiving 180 monthly pension payments or the number of payments owed for the period from retirement to your 80<sup>th</sup> birthday, your beneficiary will be entitled to receive the remaining payments. If you die after receiving 180 or more monthly payments or after your 80<sup>th</sup> birthday, the pension ceases when you die.

**Joint and Survivor Pension Reducing to 50%, 60%, 75% or 100%:** A monthly pension payable for your lifetime. When you die, if your Pension Partner is alive, 50%, 60%, 75% or 100% of the monthly pension payable to you continues to be paid to your Pension Partner for the remainder of their lifetime.

**Commutated Value Payout:** A one-time lump sum payment if your retirement benefit is deemed a small benefit.

**Note:** If you have a Pension Partner at the retirement date and elect any of the Life Annuity options or Joint and Survivor Pension Reducing to 50% option, your Pension Partner must complete, sign, and submit the required *Pension Partner Waiver of Entitlement to a 60% Joint and Survivor Pension from a Pension Plan* within 90 days before your pension begins.

## SHORTENED LIFE EXPECTANCY BENEFIT

### What if I have shortened life expectancy?

If you are diagnosed with a terminal illness that is certified by a medical practitioner and your Pension Partner completes a *Pension Partner Waiver to Permit Unlocking From a Pension Plan Due to Shortened Life Expectancy or Non-Residency*, you may elect to convert all or part of your pension to a series of payments for a fixed short-term period or withdraw a lump sum up to the Commuted Value of your benefit, both subject to applicable withholding tax.

## DEATH BENEFIT

### What happens to my pension when I die?

#### Post-Retirement Death Benefit

If you die on or after the date your first pension payment is to be issued, death benefit will be determined by the form of pension elected at retirement date.

**Pre-Retirement Death Benefit** - death before the date your first pension payment is to be issued.

- **Death with a Pension Partner Options, your Pension Partner is entitled to a:**
  - Lifetime monthly pension equal to 60% of your pension earned or;
  - Lump sum payment equal to the Commuted Value of your pension.
- **Death without Pension Partner Options, your Dependent Children are entitled to a:**
  - Monthly pension equal to 60% of your pension earned. The payment will be divided equally among your Dependent Children,
    - commencing the last day of the month following your death and
    - continuing to be paid monthly until the later of the end of the year of each Dependent Child's 18<sup>th</sup> birthday, or the end of the month during which the Dependent Child over the age of 18 ceases to be a full-time student, to a maximum age of 25.

After the Dependent Children's pension payments cease, the Beneficiary will only receive a lump sum payment if the total pensions paid to the Dependent Children are less than 100% of the Commuted Value of your pension.

- **Death without a Pension Partner or Dependent Children, or if your Pension Partner elected to waive their entitlement,**
  - Your designated beneficiary, or your estate if no beneficiary was designated, will receive a lump sum payment equal to the Commuted Value of your pension.

## RELATIONSHIP BREAKDOWN BENEFIT

### Can I request the value of my pension on a particular date?

You may write or email the Administrator to request the value of your monthly pension on a particular date (*usually this is the relationship breakdown date*). You will need to include the following in your request:

- Your and your former Pension Partner's contact information;
- Your and your former Pension Partner's proof of age;
- Date of request (*usually this is the relationship breakdown date*).

Once your request is received, the Administrator will provide you and your former Pension Partner with an **Information Statement on Relationship Breakdown**, in accordance with Section 35 of the *Employment Pension Plans Regulation* that details the total value of your monthly pension at the requested date.

### What if my Pension Partner and I want to divide my pension?

If you would like to proceed with a division and distribution of pension benefits, the Administrator requires a Family Property Order/Agreement or a similar order enforceable in Alberta that meets the requirements of Section 37 and 38 of the *Family Property Act*.

Once the compliant documentation is received, the Administrator will provide you and your former Pension Partner with an **Information Statement after filing family property order or agreement**, in accordance with Section 36 of the *Employment Pension Plans Regulation*.

Your statement will show your pension pre-division and post-division. Your former Pension Partner's statement will show their available options.

If your relationship breakdown occurred after your monthly pension had commenced, your available options will also be shown.

## CONTACT

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