



YOUR PENSION PLAN

Régime de Retraite Patronal Syndical (Québec) de l'A.I.M.

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The IAM Labour-Management Pension Fund (Quebec) was established in March 1979 as a result of collective bargaining between employers and various Quebec Lodges of the International Association of Machinists and Aerospace Workers. It allows you to accumulate an interesting retirement income in order to prepare you for this important period of your life.

Even if this Plan cannot meet all your needs, it can represent an important part of your retirement income. That is why we are inviting you to read the following pages. You will then have a better understanding of the characteristics of the Plan and get the maximum out of it. We also suggest you to share the information with the members of your family. But most of all, keep it handy for future reference.

You need more information after having read this document? Do not hesitate to contact the Pension Office.

Your participation

You can participate in this Plan if you are working for an employer having signed a collective agreement with your local lodge.

When do I become a plan participant?

You become a participant as soon as you meet the eligibility requirements provided for in your collective agreement.

How do I accumulate service in this plan?

There are two ways to accumulate service: *with future service credit* and past service credit. This accumulated service is one of the factors used to calculate your pension.

Future Service Credit

You receive *future service credit* each calendar year based on the number of hours for which contributions were made on your behalf.

150 hours worked = 1 month of future service credit in the Plan

Your total hours in a calendar year are converted into months of future service credit using the following table:

Hours worked in calendar year for which contributions were made	Months of future service credit
Less 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 and more	12

You can earn *future service credit* through the calendar year in which you reach age 69.

For example...

Bernard's employer began making contributions to the Plan on his behalf on February 1, 1994. He worked:

Year	Hours worked	Months of future service credit
1994	1,560	10
1995	1,560	10
1996	1,560	10
1997	1,560	10
1998	850	5
1999	850	5
2000	850	5
2001	1,800	12
	Total	67

*As of January 1, 2002, Bernard has earned a total of **67 months** of future service credit.*

Past Service Credit

Past service credit relates to the time an employee worked for an employer immediately before that employer began making contributions to the Plan.

- When an employer joins the Plan, an actuarial study is done. This is to determine if the employer's contributions, after paying for the cost of future service credit, will cover for the cost of past service credit.
- The results vary depending on the age of the group and the employees' years of service; on the basis of these results, the Pension Committee determines the calculation formula for the pension credits for past service credit.

You want to know if you were eligible to past service credit? It is indicated on your annual pension statement. If you were working for an employer when the latter started contributing to the Plan, your past service credit is equal to the months of service when your employer joined the Plan, as stated on the seniority list issued by your union and given to the Pension Committee.

For more information, you can also contact the Pension Office.

Your pension

Your employer contributes, on your behalf, a fixed amount for each hour or week worked by you. This contribution rate is different from one employer to the other and from one year to another, according to the collective agreement.

According to this contribution, a monthly pension accumulates. During your employment with one or more contributing participant, you accumulate a pension.

This pension belongs to you as soon as you start contributing to the Plan, as stipulated by the Act to amend the Supplemental Pension Plans Act effective January 1, 2001.

This rule applies to all of your accumulated past or future service credit. Even if you eventually stop working for a contributing employer, you do not lose your accumulated pension.

Your pension is calculated according to:

- the past or future service credit accumulated
- the contribution rate of your employer during each of these years.

The pension that you accumulate is equal to:

- **30 times** the contribution rate per hour of your employer* for your past service credit;
- **40 times** the contribution rate per hour of your employer for your future service credit

On the next page, you can see the monthly pension accumulated for each service year (12 months) at different contribution rates.

* Based on an 8-hour day and a 40-hour week.

Your monthly pension for each service year (12 months) according to the contribution rate of your employer

For 12 months of service you accumulate,

If your employer contributes...

a monthly pension of...

Per hour	Per week*	Past service credit	Future service credit
\$0.10	\$4.00	\$3.00	\$4.00
\$0.20	\$8.00	\$6.00	\$8.00
\$0.30	\$12.00	\$9.00	\$12.00
\$0.40	\$16.00	\$12.00	\$16.00
\$0.50	\$20.00	\$15.00	\$20.00
\$0.60	\$24.00	\$18.00	\$24.00
\$0.70	\$28.00	\$21.00	\$28.00
\$0.80	\$32.00	\$24.00	\$32.00
\$0.90	\$36.00	\$27.00	\$36.00
\$1.00	\$40.00	\$30.00	\$40.00
\$1.10	\$44.00	\$33.00	\$44.00
\$1.20	\$48.00	\$36.00	\$48.00
\$1.30	\$52.00	\$39.00	\$52.00
\$1.40	\$56.00	\$42.00	\$56.00
\$1.50	\$60.00	\$45.00	\$60.00
\$1.60	\$64.00	\$48.00	\$64.00
\$1.70	\$68.00	\$51.00	\$68.00
\$1.80	\$72.00	\$54.00	\$72.00
\$1.90	\$76.00	\$57.00	\$76.00
\$2.00	\$80.00	\$60.00	\$80.00
\$2.10	\$84.00	\$63.00	\$84.00
\$2.20	\$88.00	\$66.00	\$88.00
\$2.30	\$92.00	\$69.00	\$92.00
\$2.40	\$96.00	\$72.00	\$96.00
\$2.50	\$100.00	\$75.00	\$100.00

* Based on an 8-hour day and a 40-hour week.

If you have less than a full year (12 months) of future service credit at one rate only, the amount of your pension will be calculated on a pro rata basis according to the number of months of future service credit.

For example...

Paul has earned 20 years of future service credit in the Plan. During that period, his employers contributed at various contribution rates. Paul's monthly pension is calculated as follows:

Contribution rate per hour	Monthly pension earned per year of service	Years of service at this contribution rate	Monthly pension
\$0.40	\$16	3 years	\$16 x 3 years = \$48
\$0.50	\$20	1 year	\$20 x 1 year = \$20
\$0.70	\$28	3 years	\$28 x 3 years = \$84
\$0.80	\$32	4 years	\$32 x 4 years = \$128
\$0.90	\$36	3 years	\$36 x 3 years = \$108
\$1.10	\$44	3 years	\$44 x 3 years = \$132
\$1.20	\$48	2 years	\$48 x 2 years = \$96
\$1.30	\$52	1 year	\$52 x 1 year = \$52
			Total = \$668

Furthermore, Paul's first employer started contributing to the Plan while he had already been working there for 15 years, according to the seniority list. He then received 15 years of past service credit, calculated at the time as follows:

Contribution rate per hour	Monthly pension earned per year of service	Years of past service credit	Monthly pension
\$0.30	\$9	15 years	\$9 x 15 years = \$135
			Total = \$135

Paul's pension will be of \$803 (\$668 + \$135) per month, his lifetime.

At what age can I retire?

Normal retirement

The normal retirement age in the Plan is **age 65**. You are then eligible to the normal pension provided by the Plan.

Early retirement

If you retire between the age of **55 and 64**, you are eligible to an early retirement pension. This pension is reduced by a certain percentage for your *lifetime* to account for the fact that you are retiring earlier than what the Plan stipulates and that your pension will be paid out longer. The reduction is calculated according to the number of months before the age of retirement and your 65th birthday.

The reduction percentage is as follows:

- **For the first 60 months (5 years)**, $\frac{1}{4}$ of 1% per month (3% per year);
- **For every following months**, $\frac{5}{12}$ of 1% per month (5% per year).

For example...

Let's assume Paul in the previous example is 62 years old and wants to receive an early retirement pension. Since Paul is 36 months (three years) short of his 65th birthday, his normal pension of \$803 per month will be reduced as follows:

Reduction for the first 36 months:

$$\frac{1}{4} \text{ of } 1\% \times 36 \text{ months} = 9\% \times \$803 = \$72$$

$$\text{Reduced pension: } \$803 - \$72 = \$731$$

Paul's early retirement pension will be of \$731 per month for his lifetime.

Deferred pension

If you work after the age of 65, your pension will equal the highest of the following amounts:

- The normal pension, calculated while continuing to accumulate future service credit until your retirement;
- Your pension calculated at the age of 65, but revaluated on an actuarial basis until your retirement date in order to take into account that the payment is deferred after the age of 65.

You must start receiving your pension before the end of the calendar year of your 69th birthday.

How is my pension benefit paid?

You will be paid once a month, according to the type of pension chosen at your retirement, **until your death.**

If you have a spouse at the time of your retirement, the law stipulates that he or she shall receive a pension equal to 60% of your pension after you die for his or her lifetime. Your pension will be reduced taking this situation into account. The amount of the reduction will depend on your age and that of your spouse at the time of retirement.

You and your spouse may waive that 60% guarantee by filling the appropriate form. This form must be signed by your spouse and a witness and filed before your benefit begins. Once this is done, you will be able to get the normal pension provided to the participants without a spouse or choose one of the other payment options (see below).

If you do not have a spouse or if your spouse has waived the death benefit, your normal pension will be paid monthly for your lifetime with a 60-month guarantee. This means that if you die before receiving 60 payments, your beneficiary will receive the remaining guaranteed benefits.

Are there any other pension payment options?

At your retirement, you may also choose between other methods of payment. This decision cannot be changed: once payment of your pension begins, you cannot choose another option.

Pension with 120 certain payments (10-year guarantee)

This option provides you with a monthly pension for life, with 120 payments guaranteed. If you die before receiving 120 payments, your spouse, or your beneficiary if you do not have a spouse, will continue to receive benefits until the balance of the 120 payments have been made. If you die after receiving 120 payments, **pension payment stops at the time of your death.**

If you elect that option, your benefit will be reduced taking into account the 10-year guarantee. The amount of the reduction depends on your age when payments begin.

60% benefit to the spouse with 120 certain payments

You can also elect to keep the 60% guarantee to the spouse and add the 120-payment guarantee. In doing this, if you die before receiving 120 payments, your spouse will continue receiving 100% of your pension until the balance of the 120 payments have been made and then 60% of that pension.

If you choose that option, your pension will be reduced taking into account the cost of the two guarantees. The amount of the reduction depends on your age when payments begin.

What happens...

... if I become disabled?

If you become disabled while participating to the Plan, you could be eligible to a disability pension. You must then meet the following requirements:

- you are totally and permanently* disabled during the participation period to the Plan;
- you have accumulated at least 10 years of service credit (past or future) in the Plan;
- You are not yet eligible to a normal retirement pension (you are not yet age 65).

The disability pension represents **110% of your early retirement pension** based on the past and future service credits earned up to the date of your disability. Your disability pension must not exceed the normal pension amount you would receive if you were age 65 at the beginning of your disability.

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

The disability pension ends at the time of death.

... if I loose my job?

If you have accumulated past and future service credit in the Plan when you stop participating, you are eligible to a deferred pension. This pension is usually paid at age 65. However, you can elect to receive a reduced pension at any time after your 55th birthday.

* You are considered totally and permanently disabled if you meet the following requirements:

- A licensed physician certifies in writing that your physical or mental health keeps you from doing any job for which you are qualified for further to your education, training or experience;
- It is expected that this condition will remain your lifetime;
- You receive disability benefits from the *Régie des rentes du Québec (RRQ)*.

You may have to be examined by a physician chosen by the Pension Committee and have medical examinations on a regular basis.

Indexation

The pension you will accumulate starting January 1 will be indexed yearly until your retirement. The indexation will be calculated as follows: 50% of the consumer price index (CPI) increase, up to 2%.

Transfer

If you have less than age 55 when you stop contributing to the Plan, you can choose to transfer the value of your deferred pension in:

- A locked-in retirement account (LIRA) or a life income fund (LIF);
- the retirement plan of your new employer, if this plan allows for such a transfer;
- an immediate or deferred pension, bought with an insurance company.

In order to be entitled to a transfer, you must request it during one of the following periods:

- Within 90 days following the termination of your employment, or
- Every 5 years thereafter, before age 55.

If you transfer the value of your pension outside the Plan, **you will no longer be entitled to any other benefits from the Plan.**

Small pension

On the other hand, if the total benefit value accumulated after your termination is less than 20% of the maximum allowable earnings of the current year, the amount can be reimbursed in cash (while paying the applicable taxes) or be transferred to a RRSP (no taxes to be paid until retirement).

Rehiring

If your future employment is covered by the Plan, you will be considered a new employee for the purpose of the Plan.

...if I get a divorce, an annulment or separation?

The distribution of your benefits is calculated in accordance with the Act on family patrimony and the Supplemental Pension Plans Act.

If your ex-spouse is entitled to any portion of your benefit, the benefit to which you, your current spouse, or beneficiary is entitled will be adjusted accordingly.

... if I die before retirement?

1. If you die before age 55

If you have a spouse, he or she will receive for his or her lifetime, the value of your benefit accrued since January 1, 1990, including the indexation that would have been paid until the age of 55. Your spouse can transfer the value of your pension outside the Plan or receive a lump sum payment.

If you do not have a spouse, the value of your benefit accrued since January 1, 1990, including the indexation that would have been paid until the age of 55, will be paid to your beneficiary, or to your estate.

2. If you die after the age of 55

If you have a spouse, he or she will receive an early retirement pension calculated at the date of your death, paid for his or her lifetime or in a lump sum payment.

If you do not have a spouse, the value of your accrued benefit since January 1, 1990, will be paid to your beneficiary or to your estate.

...if I return to work after I retire?

If you return to work for a contributing employer after you retire, your pension benefit will be suspended for each month you are employed. You earn additional pension credit through the end of the calendar year in which you reach age 69.

When you retire again, your pension will be recalculated based on your age, these additional credits, and the number of months during which you've already received a benefit.

Frequently Asked Questions

What happens with my contributions once paid?

The financing of the Plan is entirely guaranteed by the employers' contributions and investment incomes. The employers' contributions are deposited in a trust fund. Professional managers are directed to invest the pension plan assets.

The financial stability of the Plan is verified and certified regularly by an actuary with the appropriate government authorities.

Furthermore, a financial report is made every year by a chartered accountant, in accordance with the law.

How do I apply for a pension?

You must file a written request with the Pension Office at least 60 days prior to the scheduled date of your retirement. **Please use the form available at the end of this document.** Your pension being deposited by direct deposit, please attach to your form a check with "SAMPLE" on it.

The payment of your pension will start the 1st day of the month following the date to which your request will be received by the Pension Office, as long as you meet all the requirements.

Disability pension

The first monthly payment of the disability pension will be made on the first day of the month following the beginning of the disability benefits from the *Régie des rentes du Québec (RRQ)*. Payments will then continue as long as you remain disabled.

Can I assign my pension benefit?

No. The plan prohibits the assignment, sale, transfer, attachment or garnishment of your pension benefit or anything else. Also, it cannot be used as security for a loan or mortgage.

Do the benefits provided under this plan affect my Quebec pension plan benefits (RRQ)?

No. The benefits provided under this Plan are in addition to the *RRQ* benefits for which you may be eligible.

Where can I get information on the benefits provided under this plan?

Every year, the Pension Office sends you a statement indicating the benefits accumulated in the Plan. Keep it for future reference.

Please inform the Pension Office of any change in your marital status and mailing address in order for your file to be accurate and up to date. **It is your responsibility.**

What is the function of the Pension Committee?

The Committee is responsible of the overall management of the Plan and sees to its efficiency, in accordance with the Supplemental Pension Plans Act and other applicable laws.

It has the power to modify the Pension Plan.

It is made up of the following members:

- Two union representatives;
- Two company representatives;
- One independent member.

The union representatives are confirmed during the yearly meeting of the participants.

Since January 1, 2001, the active and inactive participants can each elect a new member within the Committee. These members act as observers and are not allowed to vote.

The Committee is responsible for the adhesion of new employers. It must also do a follow up with all the employers in order to get their contributions to the Plan and make sure they go by the business process adopted by the Committee. Non-compliance to these rules by an employer could lead to its exclusion from the Plan.

The Committee is responsible to attribute the excess of assets during the life of the Plan and in the case of the Plan termination. Amongst other things, the Committee could use this excess, should there be one, to improve the pensions accumulated by the participants.

The Committee can delegate its tasks to specialists at all time.

What happens if this plan comes to an end?

If the IAM Plan were to end, the excess of assets could be attributed according to the financial situation of the Plan at that time. In that case, the participants for whom the Plan still had payment obligations would be eligible.

This simply means that if you are in one of the following situations at the termination of the Plan or if you were in the three years prior to the termination date, you would be affected by a possible distribution of excess of assets:

- you are still an active participant, or
- you, or your beneficiaries, are receiving a pension from the Plan, or
- you, or your beneficiary are receiving a disability pension from the Plan, or
- you have requested a transfer of the value of your pension, but this transfer has not been done yet.

Retirement benefit claim

Please complete and mail this form. Upon receipt, we will forward you a benefit claim form with the required instructions and information.

YOUR PERSONAL INFORMATION

Name		Given name	
Address (no., street and apartment)		City	Province
Postal Code	Phone Number	Date of birth YY MM DD	Social insurance number
Marital status Married <input type="checkbox"/> Single <input type="checkbox"/> Widow <input type="checkbox"/> Other <input type="checkbox"/>			

YOUR SPOUSE

Name		Given name	
Date of birth YY MM DD		Social insurance number	

YOUR EMPLOYMENT INFORMATION

Name of last contributing employer		
City	Province	Postal Code

TYPE OF PENSION

Type of pension Normal <input type="checkbox"/> Early <input type="checkbox"/> Deferred <input type="checkbox"/> Disability <input type="checkbox"/>
Date by which you are considering taking your retirement YY MM DD

Employee signature _____ Date _____

Please send with your form:

- your birth certificate
- a proof of marriage (if applicable)
- a check with "SAMPLE" written on it for bank deposit in your account.

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Definitions

Spouse – The person to whom you are married, or the person with whom you have been living in a common-law relationship for at least 3 years, or 1 year if you had a child or adopted one during that period. The type of spouse is established the day preceding death or retirement.

Contribution Date – The date a contributing employer first makes contributions to the Plan on your behalf.

Covered Employment – Employment with a contributing employer for which contributions are made and future service is granted.

Employee – You are an “employee” if you are employed by a contributing employer who is obligated to contribute to the Plan on your behalf in accordance with a Collective Agreement or other agreement with the Trustees.

Contributing Employer or Employer – An employer who makes contributions to the Plan on your behalf in accordance with a Collective Agreement or other agreement with the Trustees.

Financial year – Period between January 1 and December 31 of the same year.

Contribution rate – Each contributing employer to the Plan must establish a contribution rate to calculate the amount it must contribute for every employee. This rate is established by the collective agreement signed between the local lodge and the employer. This amount is calculated per hour or per week. There may be more than one rate during the term of the contract and the rate may change from one collective agreement to another due to negotiations between the employer and the union.

Pension value – Current total value of a future monthly benefit. In other words, it is the total amount of money, which, if invested at predetermined interest rates, allows to pay the established pension for your lifetime effective on a certain date.

The brief description of the Plan is based on the rules and regulations of the IAM Labour-Management Pension Fund (Quebec) as of January 1st, 2002, as they were changed and updated by the Pension Committee.

The content of this document is not intended to modify nor construe the Plan adopted by the Pension Committee. However, the Committee's members can, on occasion, revise or modify the Plan.

The information provided in this booklet deals with the benefits provided for by the Plan. However, it is only a summary of the provisions of the Plan. In case of differences between this summary and the rules and regulations of the Plan, the rules have precedence over the summary. For more information regarding your Pension Plan, please contact your union representative. You can also send your questions in writing to the Pension office.

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