



Steelworkers Pension Plan Members' Booklet *(Original Plan)*

Registration Number with the
Financial Services Commission of Ontario: 0222737

This booklet provides information that applies to all members of the Original Plan of the Steelworkers Pension Plan (the "Plan").

Included in this booklet is an appendix that applies specifically to your bargaining unit and employer. The appendix will set out the pension benefit level that applies to you and others in your bargaining unit and employer. The appendix is needed because not all collective agreements are the same and different bargaining units and employers are covered by different pension legislation.

If this booklet does not provide the information you are looking for please contact the Plan Administrator (see page 16 for contact information).

JUNE 2016

This booklet is intended to give you, the Plan member, a summary of the pension benefits available under the Steelworkers Pension Plan.

This booklet is a summary of the Plan only and while every attempt has been made to ensure the accuracy of this booklet, the provisions of the Trust Agreement, the Plan text and applicable legislation shall govern if there are any differences between those legal documents and the booklet.

Should any of the pension benefits change, you will receive an update giving you details.

A current version of the booklet can also be found at www.SteelworkersPensionPlan.ca.

WELCOME TO THE STEELWORKERS PENSION PLAN

The Steelworkers Pension Plan is administered by a Board of Trustees made up of local Union representatives who are members of the Plan and Union Staff. The Trustees are appointed by the Director of District 6 of the United Steelworkers.

The Trustees make all decisions about this Plan and have the responsibility to ensure the Plan is managed properly. They also have the right to modify or change any of the provisions of the Plan or windup the Plan subject to applicable legislation. Your employer's only obligations to this Plan are to assist with processing pension applications, to provide the information necessary for the administration of the Plan and to make the contributions required by its collective agreement.

We trust you will find this booklet to be helpful in understanding your benefits under the Steelworkers Pension Plan.

The Trustees have hired Benefit Plan Administrators Limited (BPA) to do the day to day administration of the Plan. To contact BPA, please refer to page 16.

Trustees (as of June 2016)

George Anderson	Local 5319, Halifax
Thomas DaSousa	District 6 Staff, USW
Earl Macdonald	Retiree, Fergus
Jennifer McMaster	Local 4820, Renfrew
Alex McKinnon	National Office Staff, USW
Sean O'Connell	Local 9597, Windsor
Doug Olthuis	National Office Staff, USW
Jeff Richardson	National Office Staff, USW
Dave Richie	Local 9548, Sault Ste. Marie
Louis Voight	Local 9290, Ingersoll
Jesse Walker	District 6 Staff, USW
Ronald G. Wyatt	District 6 Staff, USW

Alternate Trustee: Dave DeMarco

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- A. GENERAL STORAGE SYSTEMS
- B. A.O. SMITH

1. INTRODUCTION

The Steelworkers Pension Plan was established August 1, 1990 and replaced the GSW Inc. Negotiated Pension Plan. At that time any pension benefits you earned under GSW plans as at July 31, 1990 were frozen (GSW benefits). GSW benefits are provided through contracts with certain insurance companies which are responsible for the guaranteed payment of those benefits.

If you are covered by one of those insurance contracts, you continue to be eligible to receive your GSW benefits based on terms of the prior plan. That means that some of the provisions set out in this booklet may only apply to pensions paid by the Steelworkers' Pension Plan and not to your GSW benefits. GSW benefits are not part of the Steelworkers' Pension Plan and are not paid from this pension trust fund.

Effective December 8, 1996, the Trustees approved an expansion of the Plan by adding "Plan B". Plan B applies to all bargaining units and employers joining the Plan on and after December 8, 1996 and operates under a separate benefit structure. Assets and liabilities for Plan B members will remain separate and apart from the assets and liabilities for A.O. Smith and GSS members, who are members of the Original Plan.

A Board of Trustees, made up of representatives of local Unions and USW staff, administer the Plan in accordance with applicable law. The Board of Trustees is ultimately responsible for the administration of benefits and the investment of the assets of the Plan. Pension law permits the Trustees to seek the advice of professional advisors so the Trustees rely upon a professional actuary, administrator, auditor, custodian, investment consultant, legal counsel and investment managers to ensure that the Plan is effectively managed.

The Plan is a "multi-employer, negotiated contribution, target benefit plan". It has been designated as a Specified Ontario Multi-Employer Pension Plan ("SOMEPP").

- Contributions to the Plan are established in collective bargaining between your employer and the Union.
- Your employer's only funding obligation is to contribute the amounts required by its collective agreement. Your employer does not guarantee pension benefits, and is not responsible for any funding shortfall.
- Your employer has no entitlement to any funding surpluses. Excess funds will be used to improve benefits.
- The Steelworkers' Union has no access to the assets of the Plan, and has no responsibility for funding.
- On the advice of professional pension actuaries, the Trustees establish target pension benefits, based on contributions, expected investment returns, and other factors (such as expected life expectancies).
- If the assets of the Plan are not enough to pay all of the Plan's liabilities, pension benefits may be reduced (in accordance with the applicable legislation).
- As a multi-employer pension plan the Steelworkers Pension Plan is not covered by the Pension Benefit Guarantee Fund, and your pension is not guaranteed by that fund. If the Plan were wound up and the assets of the pension fund were not enough to pay all liabilities, your pension benefits would be reduced.
- If the Plan were to be wound up while more than fully funded, any excess funds would be used to increase benefits.

This Plan is registered with the Canada Revenue Agency and the Financial Services Commission of Ontario under registration number 0222737.

2. MEMBERSHIP

You become a member of the Steelworkers Pension Plan when your employer starts making contributions to the Plan on your behalf.

Your employer will start making contributions to the Plan under the terms of the collective agreement between your employer and the United Steelworkers.

3. CONTRIBUTIONS

What does my employer pay?

Contributions to the Steelworkers Pension Plan are determined in negotiations with your employer, and are set out in your collective agreement. The collective agreement, and not this Plan, will determine the contribution rate and the terms under which it is paid.

You may also be eligible to earn further pension benefits while absent from the workplace due to a compensable injury or while on maternity or parental leave. Contact the Plan Administrator for details.

Am I required or permitted to contribute to the Plan?

Contributions to the Plan from members are not permitted unless required by the applicable collective agreement. If member contributions are required by your collective agreement, your employer will deduct the contributions from your pay and remit them to the Plan.

Are the contributions made to the Plan taxable to me?

No. Contributions made to the Plan are not taxable.

Is my personal RRSP affected?

Yes. Contributions made to any registered pension plan reduce your personal RRSP room and are reported as a Pension Adjustment (PA) on your T4 slip issued by your employer(s).

How are the contributions used?

Assets of the Plan are comprised of the contributions received, plus investment earnings on those contributions, less any expenses paid.

Assets cannot be used to reduce the contributions required to be paid by your employer (or by you, if applicable) or used for any purpose other than providing pension benefits to the members of the Plan and paying the expenses of the Plan.

Does the Union contribute to the Plan?

No. The Steelworkers' Union has no access to the Plan's assets and has no responsibility for its funding.

4. AMOUNT OF PENSION

How is my pension amount determined?

Please refer to the Appendix that covers your bargaining unit and employer for information on the benefit formula that applies to you. In the Appendix you may see that the benefit formula is not the same for all years of service, because the Trustees have adjusted it based on the financial health of the Plan and on the advice of the actuary.

The Original Plan provides pensions only for your period of membership in the Plan. It does NOT provide any credits for previous periods of employment – your pension for any prior periods will depend on the arrangements (if any) your employer had in place at that time.

Do I earn pension while I am sick, on lay-off or on vacation?

Pension is earned based on contributions. Contributions rates are set out in the collective agreement between the Union and the employer. Contributions are currently paid at an hourly rate (as defined in the collective agreement). Contributions may be required for overtime hours, vacation, sick benefits, LTD benefits, layoff, or for an approved leave – depending on the terms of the collective agreement.

If you are absent from work due to a compensable injury, you may be eligible to be credited with contributions even if your employer does not contribute to the Plan while you are away from work. If this applies to you, please contact the Plan Administrator.

If you are absent from work due to a maternity or parental leave you may be eligible to be credited with contributions during your absence. If this applies to you, please contact the Plan Administrator.

5. RETIREMENT DATES

What is my normal retirement age?

Normal retirement age under the Plan is the end of the month in which you turn age 65, with monthly pension payments commencing the first of the following month. You must terminate your employment with all participating employers to begin to receive your pension from the Plan before the end of the year in which you turn 71.

If you work past age 65, you must by law start collecting your pension by no later than December 1st of the year in which you reach age 71. If you continue to work past that date, employer contributions may still be remitted to the Plan (as required by the collective agreement). However; you will not receive any pension credit for those contributions.

Can I retire early?

You can retire as early as age 55, but your pension will be actuarially reduced so that the value of your early retirement pension is equal to the value of your normal retirement pension. Your pension will be reduced because it will be paid for a longer period of time.

6. METHOD OF PENSION PAYMENT

What is the normal form of pension?

- **LIFE WITH A MINIMUM OF 60 MONTHLY PAYMENTS**

If you do not have a spouse when you retire, your pension will be paid as long as you live, with a minimum of at least 60 monthly payments (five years). If you die before receiving 60 monthly pension payments, your beneficiary (or estate if there is no beneficiary) will be entitled to the balance of the 60 pension payments.

The examples shown in Appendix A or Appendix B assumes this form of pension is payable to you at retirement.

- **MANDATORY JOINT AND SURVIVOR PENSION**

If you have a spouse when you retire, your pension will be paid to you and your spouse as a joint and survivor pension. Your pension will be reduced to provide this spouse's pension, since the pension will be paid for two lifetimes. The amount of the reduction will depend on your age and your spouse's age when you retire and will be equivalent in value to the pension payable to you if you had no spouse at the date of your retirement. Upon your death, the amount of pension payable to your spouse for his or her remaining lifetime will be 60% of the amount being paid immediately before your death. Should your spouse die before you, your pension will continue unchanged and cease on your death.

If you and your spouse decide you do not want this continuing spouse's pension, you must both sign a waiver and provide it to the Plan Administrator before your pension begins. This waiver cannot be revoked after your pension begins to be paid.

For **Definition of "Spouse"**, please refer to the Notes section in the Appendix that is applicable to your bargaining unit and employer.

Are other forms of pension available to me?

Yes. Details of the other forms of pension which are available to you will be provided by the Plan Administrator upon receiving your written retirement request.

Is my pension increased after I retire?

Your pension may be increased from time to time, but only as determined by the Trustees based on the financial health of the Plan. No pension increases have been made recently.

7. APPLYING FOR YOUR PENSION

How do I apply for my pension?

If you wish to apply for your pension, please inform the Human Resources Department at your workplace of your intention to retire. They will send the required notification to the Plan Administrator, who will provide you with the necessary application forms. Complete and sign the application and return it to BPA at least two months prior to your intended date of retirement. Proof of age and marital status will be required.

When can I expect my first pension payment?

Your first pension payment is effective from the first day of the month following your actual retirement date and will subsequently be paid on the first day of each following month. It may take longer to receive your first payment; however, your payments will be retroactive to first day of the month following your actual retirement date. The Plan's custodian will mail your pension cheque to you, or deposit it directly in your bank account.

8. DEATH BENEFITS

What happens to my pension if I die before I retire?

If you die before any pension payments have started, your spouse, or beneficiary (if you have no spouse), or estate (if no beneficiary has been appointed), will receive a lump sum amount equal to the present day value of the pension you had earned up to the date of your death.

Your spouse will be able to choose:

- a monthly pension starting as early as age 55; or
- transfer the lump sum value tax-free to an RRSP or registered pension plan; or
- a taxable cash payment

A beneficiary or estate will only be able to receive this death benefit as a taxable cash payment.

What happens to my pension if I die after I retire?

If you die after you have started to receive a monthly pension, the amount payable on your death will be based on the form of pension you elected when you retired (see Section 6 – Method of Pension Payment).

9. TERMINATION BENEFITS

What happens if I quit, am terminated or leave the bargaining unit?

If your membership in the Plan terminates, which is called a break in service, you will be entitled to the value of the pension that you have earned. When and how you will receive the value of your pension, and how its value will be determined, depends on a number of factors.

To receive your termination benefit, you must apply for it and elect to become a Terminated member. If you do not apply, your benefits will remain in the Plan until you apply for a pension.

If you have a break in service **on or after** your 55th birthday, you must leave your benefits in the Plan until you apply for your pension.

The Normal Retirement Date for the Plan is the last day of the month in which you turn 65. However, you can start to receive a reduced pension as early as age 55. Pensions which begin to be paid before age 65 are reduced because they will be paid longer.

If you have a break in service **before** age 55, you may elect to terminate your membership in the Plan and become a Terminated Member. Terminated Members may transfer their termination benefit out of the Plan. Such transfers must be to another form of locked-in retirement savings arrangement, unless the termination benefit is very small.

The lump sum value of a termination benefit is equal to the present-day value of the pension payable at the Terminated Member's Normal Retirement Date, reduced to reflect the degree by which the Plan is less than fully funded on a solvency basis.

Members incur a break in service upon the termination of their employment. If you have been laid off and retain recall rights under the collective agreement, your employment is not considered terminated until you have been laid off at least two years. After 24 months of lay-off, you may apply in writing to become a Terminated Member and transfer your benefits out of the Plan. Your election to become a Terminated Member is for pension purposes only, and does not affect the length of recall rights you may have under the collective agreement. If you become a Terminated Member, transfer your benefits out of the Plan and are subsequently recalled, you will start accruing pension benefits again as if you were a new hire.

For a list of payment options, please refer to "Termination Payment Options" in the Notes section of the Appendix that applies to your bargaining unit.

Grow-in benefits are equal to the value of any early retirement subsidy you may have been eligible to receive had you remained a member of the Plan. The Plan does not provide grow-in benefits.

If you continue to be employed by your employer, but are transferred to a job that is not part of the bargaining unit, your pension benefits in the Plan will be frozen. After six months, you may elect to become a Terminated Member or to leave your benefits in the Plan until you apply for your pension.

If the Plan is terminated or wound-up, all pension benefits will be reduced to reflect the degree by which the Plan is less than fully funded.

10. ADDITIONAL INFORMATION

Who should I notify if I change my address or banking information?

Please notify the Plan Administrator of any changes to your address or banking arrangements so that you can receive your payments and any Plan correspondence in a timely manner.

What information will I receive telling me about my own individual pension amounts?

- **ANNUAL PENSION STATEMENT**

You will receive a statement of your own benefits every year (determined as at December 31st and received by June 30th of the following year) to keep you informed of your pension benefits.

- **PENSION ESTIMATES**

If you need an estimate of your pension benefits for retirement planning purposes, inform the Human Resources Department at your workplace of the intended date of retirement so they can request the Plan Administrator to provide you with an estimate of your pension benefits.

What other Plan information do I have access to?

In addition to this information booklet and annual individual pension statements, you and your spouse (and any other beneficiary) have certain rights to other information under the applicable pension legislation. This information includes the following:

- Plan documents, including amendments
- Financial statements
- Actuarial funding reports
- Annual information returns
- Correspondence with the Financial Services Commission of Ontario that is less than five years old.

You need to make a written request to the Plan Administrator to review these documents. The information will be made available to you at the Plan Administrator's office or at a mutually agreed upon place. The Plan Administrator is only required to provide you with access to this information once a year.

10. ADDITIONAL INFORMATION (cont'd.)

Do I have to pay income tax on my Plan benefits?

Yes. All benefits paid by the Plan are subject to income tax.

If you are receiving a monthly pension from the Plan, income tax will be deducted before it is paid to you. The Canada Revenue Agency sets the minimum deduction amounts that are applied.

11. GOVERNMENT PENSION BENEFITS

In addition to the pension paid from the Plan, what other pension benefits may I be eligible for?

You may be eligible for pension benefits under the Canada Pension Plan (payable as early as age 60) and Old Age Security Act (currently payable at age 65). These benefits are in addition to those you receive from this Plan.

- **CANADA PENSION PLAN**

The Canada Pension Plan (“CPP”) provides pension, disability and survivor income benefits. CPP pays you a monthly pension for life starting from as early as age 60. How much you receive depends on how long you have contributed, your earnings in each year you contributed and your age when you retire.

You should apply at least six (6) months before you wish to begin to receive your CPP pension.

- **OLD AGE SECURITY**

The Old Age Security pension is a monthly pension, which is payable from age 65. How much you receive depends on how long you have lived in Canada when you apply.

Based on the current eligibility age, you should apply at least six (6) months before you wish to begin to receive your Old Age Security pension.

For more information on these plans or for applications forms for these benefits, please visit any Service Canada Centre or access this information on-line at www.servicecanada.gc.ca.

12. PRIVACY

CONFIDENTIALITY OF YOUR PERSONAL INFORMATION

The Plan requires certain personal information about Plan members, their employment and their beneficiaries.

All personal information (including financial information) collected in the course of the administration and operation of the Plan is kept confidential and will only be used for purposes of administering members' benefits. On occasion, the Plan may need to share some of this information with actuaries and other pension professionals. The Plan will take all necessary steps to protect the privacy of this information.

By participating in the Plan, you are consenting to the Plan's collection, use and disclosure of this personal information.

13. PLAN PARTICIPANTS

<u>Employer</u>	<u>Bargaining Unit</u>
Algoma Tubes Inc.	USW 9548
A.O. Smith	USW 3789 & 6028
ArcelorMittal Products	USW 5328
ArcelorMittal Tubular Products	USW 7536
Babcock & Wilcox Canada Limited	USW 2859
Caressant Care Nursing and Retirement Homes	USW 8327, units 8 & 13
CoCo Paving Inc.	USW 2020
C. W. Carry	USW 5575
Days Hotel & Conference Centre	USW 9466
DSME Trenton Limited	USW 1231
Federal White Cement	USW 9290
General Storage Systems	USW 3133
Haley Industries	USW 4820
Ivaco (Heico)	USW 7940 & 8794
Radisson Hotel Toronto East	USW 9466
Screeners	
• G4S (Whitehorse)	USW 8646
• Garda Security Screening (Hamilton, Sarnia, Timmins, Windsor)	USW 9597
• Garda Security Screening (Kitchener)	USW 1-500
• Garda Security Screening (Ottawa)	USW 1976
• Garda Security Screening (Sault Ste Marie)	USW 8748-16
• Garda Security Screening (Sudbury)	USW 2020
• Garda Security Screening (Thompson)	USW 6161
• Garda Security Screening (Yellowknife)	USW 8646
• Securitas Canada Ltd.	USW 5296
Security	
• Canadian Corps of Commissionaires	USW 9597
• Garda – Metallos	USW 5296
• Garda – Rentokil	USW 9597
• Garda – Security Intertec	USW 2020
• Group 4 Falck – Group 4 Securicor	USW 9597
• Paladin Security	USW 2596
• Securitas – Region 1 – Toronto, Oshawa	USW 5296
• Securitas – Region 2 – Hamilton, Windsor, Kitchener, London, Barrie	USW 5296
• Securitas – Region 3 – Belleville, Peterborough, Sudbury, Ottawa	USW 5296
• Neptune Security Services	USW 9597
Sheraton Gateway Hotel	USW 9466
Steelworkers Non-Profit Dental Services Inc.	USW 343
Valley Manor Inc.	USW 6946
Xylem Applied Water Systems	USW 8614-05
York Condominium	USW 5296

Notes:

- 1) USW Locals 3789 & 6028 (at A.O. Smith) and USW Local 3133 (at General Storage Systems) participate in the 'Original Plan'
- 2) All other units participate in 'Plan B'.

14. SERVICE PROVIDERS

Investment Manager(s):	Connor, Clark & Lunn Financial Group Greystone Managed Investments Inc.
Custodian of Trust Fund:	RBC Investor & Treasury Services
Investment Consultant:	Eckler Ltd.
Actuary:	Eckler Ltd.
Legal Counsel:	Goldblatt Partners LLP
Auditor:	BDO Canada
Plan Administrator:	Benefit Plan Administrators Limited

15. FOR MORE INFORMATION ON THE PLAN

Visit our website at:

www.SteelworkersPensionPlan.ca

Call, email, write or fax to:

Steelworkers Pension Plan
c/o Benefit Plan Administrators Limited
Pension Department
P. O. Box 3071, Station "A"
Mississauga, Ontario
L5A 3A4

Phone: (905) 275-6466

Toll Free: 1(800) 867-5615

Fax: (905) 275-6462

Email: pensions@bpagroup.com

When calling or writing to **Benefit Plan Administrators Limited**, please provide:

- Your name in full
- Your address
- Your telephone number, and
- Your Social Insurance Number

15. FOR MORE INFORMATION ON THE PLAN (cont'd.)

New Member Website (for active members):

The Board of Trustees is pleased to announce that, together with the administrator of the Plan, Benefit Plan Administrators Limited ("BPA"), we have developed a Member's Website that will allow you to use the internet to review the contributions made to Plan on your behalf.

The new site will allow you to review information about contributions on an ongoing basis, which will allow you to address any concerns you may have on a timely basis.

Once per year you will continue to receive a mailed copy of an Annual Member Statement which reports the amounts that were remitted to the Plan on your behalf during the prior year, the amount of pension you earned in the year, as well as other personal information on file with BPA.

The site can be accessed at:

members.steelworkerspensionplan.ca

To initially gain access to the site, you will need to "**REGISTER**" yourself.

The "**REGISTER**" button can be found at the top right corner once you access the website.

When registering, you will be asked for certain personal information to ensure you and only you can access your personal information.

Once registered, you will be able to review the following information on record at BPA:

- 1) Personal information (name, address, date of birth, gender, designated beneficiary)
- 2) The last 18 months of contributions/hours received by the Plan
- 3) Access the most recent Member Booklet/Appendices

We trust that you will find this NEW member website a valuable tool.

USW Local 3133 – General Storage Systems

Participation in the Plan was effective August 1, 1990.

Your pension benefits are subject to the pension law of Ontario.

Amount of Pension

1.0% of contributions received on your behalf on or after January 1, 2009; plus
 1.65% of contributions received on your behalf on or after January 1, 2003 to December 31, 2008; plus,
 1.75% of contributions received on your behalf on or after January 1, 1998 to December 31, 2002; plus,
 \$34.00/month x number of years of credited service on or after August 1, 1990 to December 31, 1997; plus
 \$34.00/month x number of years of credited service on or after October 1, 1981 to July 31, 1990 over the GSW Retirement
 Benefit accrued on or after October 1, 1981; plus
 \$5.00/month x number of years of credited service prior to October 1, 1981, to a maximum of 20 years.

In addition, pension benefits earned in the plan prior to September 1, 2013 were reduced by 17.28% from the levels shown above. GSW benefits were not impacted by this reduction.

The benefit rate may be changed from time to time as required.

Example:

Here is an example showing how it works for a new member who joined the Plan on February 1, 2012 and works for 25 years before retiring at age 65.

Retirement age:	65
Years of participation in Plan from February 1, 2012	25
Employer's contribution on your behalf from:	
February 1, 2012 to January 31, 2014:	\$2.30 per hour
February 1, 2014 to January 31, 2015:	\$2.35 per hour
February 1, 2015:	\$2.40 per hour
Estimated hours worked per year:	2,080
Total contributions made are calculated as follows:	
February 1, 2012 to August 31, 2013 = 1.5833 years x 2,080 hours x \$2.30	= \$7,574.51
September 1, 2013 to January 31, 2014 = .4167 years x 2,080 hours x \$2.30	= \$1,993.49
February 1, 2014 to January 31, 2015 = 1.00 year x 2,080 hours x \$2.35	= \$4,888.00
From February 1, 2015 = 22.00 years x 2,080 hours x \$2.40	= \$109,824.00
Your monthly pension at age 65 is:	
$(1-.1728) \times \$7,574.51 \times 1.00\% + (\$1,993.49 + \$4,888.00 + \$109,824.00) \times 1.00\%$	= \$1,229.71 per month

USW Local 3133 – General Storage Systems

Please note that this example assumes that the benefit formula, the contribution rate and the hours worked each year remain constant. If the benefit formula, contribution rate or hours worked increase or decrease, the amount of pension will be higher or lower than indicated above.

Notes:

1. *The Collective Agreement with your employer sets out the pension contribution rate and defines the hours upon which contributions must be made. Your Collective Agreement, not the Plan, determines if contributions are required for periods of vacation, sickness, temporary lay-off or disability.*
2. Definition of "Spouse":
Your "spouse" includes a person to whom you are married and not separated from or to whom you are not married but have lived with continually for at least three years or are in a relationship of some permanence with and are natural or adoptive parents of a child. However, the Ontario Court of Appeal has found that a common-law spouse is not always a spouse for the purposes of a pre-retirement death benefit. If you have a common-law spouse whom you want to receive any pre-retirement death benefit that becomes payable, you should consider designating him or her as your beneficiary.
3. Termination Payment Options:
If you are under age 55 when you terminate employment, you will have the following payment options:
 - *transfer the lump sum value of your pension to a "locked in" retirement savings vehicle;*
 - *transfer the lump sum value of the pension to your new employer's pension plan if that plan permits; or*
 - *alternatively, you may leave your pension credits in the plan and choose to receive your earned pension at age 65 or an actuarially reduced pension anytime after you reach age 55.*

If you do elect to terminate your membership AND transfer your pension benefit out of the Plan within the specified time period, your pension benefit to be transferred will be reduced to the solvency funding ratio of the Plan.

If no election is made within the specified time period OR you elect to leave your pension benefit in the Plan, your pension benefit will remain in the Plan until you apply for a pension. You will not have the option to transfer out your entitlement at a later date.

If you are age 55 or over when you terminate employment, you must leave your benefits in the Plan until you apply for a pension.

USW Local 3789 & 6028 – A.O. Smith

Participation in the Plan was effective August 1, 1990.

Your pension benefits are subject to the pension law of Ontario.

Amount of Pension

1.0% of contributions received on your behalf on or after January 1, 2009; plus
 1.65% of contributions received on your behalf on or after January 1, 2003 to December 31, 2008; plus,
 1.75% of contributions received on your behalf on or after January 1, 1998 to December 31, 2002; plus,
 \$34.00/month x number of years of credited service on or after August 1, 1990 to December 31, 1997; plus
 \$34.00/month x number of years of credited service on or after October 1, 1981 to July 31, 1990 over the GSW Retirement
 Benefit accrued on or after October 1, 1981; plus
 \$5.00/month x number of years of credited service prior to October 1, 1981, to a maximum of 20 years.

In addition, pension benefits earned in the plan prior to September 1, 2013 were reduced by 17.28% from the levels shown above. GSW benefits were not impacted by this reduction.

The benefit rate may be changed from time to time as required.

Example:

Here is an example showing how it works for a new member who joined the Plan on November 1, 2012 and works for 25 years before retiring at age 65.

Retirement age:	65
Years of participation in Plan from November 1, 2012	25
Employer's contribution on your behalf from:	
November 1, 2012 to March 22, 2014:	\$1.95 per hour
March 23, 2014 to October 31, 2014:	\$2.05 per hour
November 1, 2014 to October 31, 2015:	\$2.15 per hour
November 1, 2015:	\$2.25 per hour
Estimated hours worked per year:	2,080
Total contributions made are calculated as follows:	
November 1, 2012 to August 31, 2013 = 0.8333 years x 2,080 hours x \$1.95	= \$3,379.86
September 1, 2013 to March 22, 2014 = 0.5629 years x 2,080 hours x \$1.95	= \$2,283.12
March 23, 2014 to October 31, 2014 = .6037 years x 2,080 hours x \$2.05	= \$2,574.18
November 1, 2014 to October 31, 2015 = 1.00 year x 2,080 hours x \$2.15	= \$4,472.00
From November 1, 2015 = 22.00 years x 2,080 hours x \$2.25	= \$102,960.00
Your monthly pension at age 65 is:	
$(1-.1728) \times \$3,379.86 \times 1.00\% + (\$2,283.12 + \$2,574.18 + \$4,472.00 + \$102,960.00) \times 1.00\%$	= \$1,150.85 per month

USW Local 3789 & 6028 – A.O. Smith

Please note that this example assumes that the benefit formula, the contribution rate and the hours worked each year remain constant. If the benefit formula, contribution rate or hours worked increase or decrease, the amount of pension will be higher or lower than indicated above.

Notes:

1. The Collective Agreement with your employer sets out the pension contribution rate and defines the hours upon which contributions must be made. Your Collective Agreement, not the Plan, determines if contributions are required for periods of vacation, sickness, temporary lay-off or disability.
2. Definition of "Spouse":
Your "spouse" includes a person to whom you are married and not separated from or to whom you are not married but have lived with continually for at least three years or are in a relationship of some permanence with and are natural or adoptive parents of a child. However, the Ontario Court of Appeal has found that a common-law spouse is not always a spouse for the purposes of a pre-retirement death benefit. If you have a common-law spouse whom you want to receive any pre-retirement death benefit that becomes payable, you should consider designating him or her as your beneficiary.
3. Termination Payment Options:
If you are under age 55 when you terminate employment, you will have the following payment options:
 - transfer the lump sum value of your pension to a "locked in" retirement savings vehicle;
 - transfer the lump sum value of the pension to your new employer's pension plan if that plan permits; or
 - alternatively, you may leave your pension credits in the plan and choose to receive your earned pension at age 65 or an actuarially reduced pension anytime after you reach age 55.

If you do elect to terminate your membership AND transfer your pension benefit out of the Plan within the specified time period, your pension benefit to be transferred will be reduced to the solvency funding ratio of the Plan.

If no election is made within the specified time period OR you elect to leave your pension benefit in the Plan, your pension benefit will remain in the Plan until you apply for a pension. You will not have the option to transfer out your entitlement at a later date.

If you are age 55 or over when you terminate employment, you must leave your benefits in the Plan until you apply for a pension.