

## Steelworkers Pension Plan... **WORKS FOR ME!**

### What is it about Steelworkers Pension Plan (SPP) that works so well for its members?

We know that as a “Target Benefit” pension plan, SPP provides benefits similar to a traditional pension plan but is funded more like an RRSP with known contributions going in. SPP also allows many different USW employers to participate together in this one plan, with members overseeing the plan governance. All of this makes SPP a very unique plan... definitely not something you’d find at a bank or financial institution.

But what exactly does SPP offer to members that’s different from an RRSP or other retirement programs? How does that “uniqueness” translate into benefits for its members? To find out, we sent our “roving reporter” to talk with SPP plan members to find out what they like most about being part of SPP. Here’s what we heard.



*“Hopefully I’ll live a long, long time and I’ll collect for a long, long time. The investment managers know we’re counting on them to make those payments every month for as long as I live, and for my spouse if something happens to me.”*

– Lou Voight, USW local 9290

Having a set monthly pension payment for the rest of your life is a huge benefit for many people who want the security and peace-of-mind that comes with having stable and predictable monthly income.

SPP’s monthly pension benefit is determined by the plan formula and is based on hours worked so you always know how much pension you’re accumulating. And, since the pension is determined by a formula, it is NOT directly impacted by investment returns or market performance. You don’t have to worry about the markets taking a bad turn or whether you still have enough in your account to retire when you want.



*“In many cases, our members don’t want an RRSP plan because markets are up and down too much and they don’t know enough about investing. The professional investment managers at SPP are the security blanket they’re looking for.”*

– Thomas De Sousa, USW Area Coordinator

This is a BIG difference between SPP and other plans like RRSPs. SPP eliminates the need to choose your own investments and track your accounts. In fact, SPP doesn't even have member accounts. All contributions go into a funding pool that is managed by investment professionals. This pool of money is then used to provide your pension when you retire. You don't have to choose investments. You don't have to manage accounts. All you need to do is sign up, work your hours, and earn your pension.



*"We had a group RRSP plan but felt we had to get away from everything being controlled by the employer. SPP is run by USW members for USW members and you know we can trust the people managing it to do the right thing."*

– Mark Arsenault, USW Local 5319

SPP is a plan solely for USW employers and members. It's run by people like you, USW members who care about having reliable income in retirement. In fact, the SPP Board of Directors is the only union-run pension plan board in Canada that does not have employer interests at the table. The Board is 100% members, so decisions are made "by members, for members" and you can be sure that your best interests are always at the heart.



*"The problem with an RRSP is the temptation to pull money out when you want to buy something. With SPP, it's safely put away and that makes all the difference in the world when you retire."*

– Earl Macdonald, USW Local 3789 Retiree

Earl really hit on something here that might actually be a hidden gem for those who have a hard time saving for the future. In most RRSP arrangements you can make withdrawals any time, even during the years when you should be saving. But, while satisfying today, withdrawals deplete your savings and have a direct impact on your future income. SPP is different. Contributions do not go into your own personal account to use as you wish. They are pooled together and are used to pay the pensions for ALL members. So, you cannot make withdrawals. Instead, the contributions are protected within the plan so that you will have a set pension that you can count on in retirement. Good job Earl, this is a great callout!

Of course, there are many other features of SPP that appeal to different members, but these are the big ones. As we've said, SPP is unique. It's an opportunity that's only available to USW members, so you will not hear about this gem in the marketing and promotion you get from your bank or financial institution. This opportunity is just for us.

So, take some time to visit our new website at [steelworkerspensionplan.ca](http://steelworkerspensionplan.ca) to learn more. Spread the word to make sure other USW members know about this. And most of all, talk to your bargaining unit about how to get SPP working for you!