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TEAMSTERS PRAIRIE PROVINCES PENSION PLAN

MAKING A DIFFERENCE

PENSION GUIDE

Effective January 1, 2013
Updated August 2022

Contact us

If you have any questions about your Teamsters Prairie Provinces Pension Plan, please contact:

Prairie Teamsters
Administration Services Ltd.
#155, 7260 — 12 Street S.E.
Calgary, AB T2H 2S5

Telephone: 403-252-6924
Toll-free: 1-877-817-7526
Fax: 403-253-3231
Email: info@ptadmin.ca
Website: www.ptadmin.ca

Please be sure to have your social insurance number (SIN) handy when you call for personal benefits information.

When writing to the administrator, please include your:

- name (as listed on your employer's payroll) printed clearly,
- social insurance number (SIN),
- full address and telephone number (including area code), and
- name of current or most recent employer.

Contents

This booklet provides a summary of the Teamsters Prairie Provinces Pension Plan (registration No. 0392886) in simple terms. A complete description is contained in the legal documents available for review in the administrator's office. Every effort has been made to provide an accurate summary. However, if there are any differences between the information contained here and the legal documents, the legal documents will apply.

Welcome to the plan

Did you know that as a member of the Teamsters Prairie Provinces Pension Plan (T4P), you are earning a pension while you work? Your pension is an important part of maintaining financial security when you reach retirement. In fact, it's not unusual for retiring members of the T4P to discover that the pension they have earned under the plan is by far their most important financial asset.

We urge you to take a few minutes to review this booklet and share it with those closest to you. In particular, we encourage you to understand the options available to you — and the impact these choices can have on your financial situation over the long term.

Pension laws

The plan is regulated by provincial and federal legislation. It is registered with the Province of Alberta and the Canada Revenue Agency (Teamsters Prairie Provinces Pension Plan — Registration No. 0392886). While the plan is registered with the Province of Alberta, if you work in a province other than Alberta, or in federally regulated employment, the pension law of that jurisdiction may apply to certain aspects of your benefits under the plan. Some of the key differences are highlighted in this booklet. For additional details, contact Prairie Teamsters Administration Services Ltd.

A commitment to good governance

The T4P is a collectively bargained multi-employer plan (CBMEP). It began on April 1, 1974, as the General Teamsters Union, Local 362, Retirement Plan and was renamed the Teamsters Prairie Provinces Pension Plan effective January 1, 2013. The T4P operates under the supervision and direction of a Board of Trustees from across Alberta, Saskatchewan and Manitoba. To view an up-to-date list of Trustees, please visit **www.ptadmin.ca**.

One of the Trustees' key responsibilities is to choose the professionals they need to help run the plan effectively and make sure that it complies with current legislation. As plan "fiduciaries", the Trustees have a legal obligation to manage the plan in the best interests of the plan membership.

The Trustees are also responsible for deciding how the pension fund is invested. These decisions are guided by a formal Statement of Investment Policies and Procedures to help ensure that the pension is managed prudently and effectively. To view a copy of this statement, please contact Prairie Teamsters Administration Services Ltd.

Under the terms of the plan, the Trustees have full power to make changes at any time with the approval of the Superintendent of Pensions of Alberta and the Canada Revenue Agency. This includes:

- changing the plan in order to comply with applicable legislation (Alberta's Employment Pension Plans Act and the federal Income Tax Act);

- increasing benefits if the plan's financial health allows it; and
- decreasing benefits if the plan's financial health warrants it.

If the plan terminates

The Trustees hope to keep the plan running for many generations to come. However, if it became necessary to wind up the plan, funds remaining after expenses related to the wind-up were paid would be used to provide benefits to plan members. Pension benefits might be increased or decreased depending on the financial position of the plan at that time.

Professionals currently employed by the Board of Trustees

Actuary
Eckler Ltd. conducts regular plan reviews, provides plan design advice and helps with member communications.

Administrator
Prairie Teamsters Administration Services Ltd. looks after the day-to-day operations of the plan on behalf of the Trustees. This includes receiving contributions from employers, processing pension benefit payments,

> **Benefits can increase or decrease based on the plan's financial health.**

answering member questions, maintaining member pension records, preparing annual pension statements and providing retirement, termination and marriage breakdown packages.

Auditor
KPMG performs an annual audit of the plan and issues an opinion on the plan's annual financial statements.

Custodian
CIBC Mellon holds the plan's assets.

Investment consultant
Eckler Ltd. assists with the plan's investment strategy, including monitoring its investment managers.

Investment manager
TD Asset Management manage the investments of the plan according to the Statement of Investment Policies and Procedures approved by the Trustees.

Lawyer
McGown Cook, Barristers & Solicitors provides legal advice to the Trustees.

Your responsibility under the plan

As a plan member, your responsibilities include:

- reviewing the information that is provided to you, including this booklet and your statements;

As a member of the plan, you have a responsibility to review the information provided to you and get professional advice when needed.

- keeping your information up-to-date with the administrator, including changes to your address or any other life events;
- getting help from a qualified, independent financial advisor if you feel you need additional guidance.

Privacy

It is impossible to administer your pension benefits without using personal information. However, the Trustees are committed to protecting your privacy and have strict safeguards in place to protect your information from unauthorized access or use.

In addition, you have the right to see the information on file for you and to update or correct it as necessary. For more information, please contact Prairie Teamsters Administration Services Ltd. at **info@ptadmin.ca** or 403-252-6924 (toll-free at 1-877-817-7526).

Be sure to keep your information up-to-date with the administrator. Please see the "Contact us" section at the beginning of this booklet.

Quick facts about your plan

How to join the plan — You automatically join the plan on the first day of the first reporting period in which your employer pays a pension contribution on your behalf. You remain an active plan member as long as you continue to be a member of a participating union and contributions continue to be made to the plan on your behalf.

Contributions to the plan — Your employer is required to make a contribution to the pension plan on your behalf. The contribution rate is set by your collective agreement. These contributions, together with investment income, are used to provide your pension benefits.

Size of your pension — The pension you receive is based on a formula that is applied to your eligible hours as defined in your collective agreement. The formula, which is described on page 10, may change from time to time.

When you can start your pension — You can retire with a full pension at age 65. If you retire between ages 55 and 65, your pension will be reduced. This reduction is required because your pension is expected to be paid for a longer period. You cannot start your pension before age 55. By law, your pension must be started no later than December 31st of the year in which you turn 71.

How your pension is paid — When you retire, you will receive a pension payment each month for life. Depending on the payment option you choose, benefits may also be paid to your spouse or other beneficiaries after you die.

If you have a spouse — If you have a spouse when you retire, you must choose a payment option that provides a pension to your spouse if you die first. Your spouse may sign a waiver declining this pension.

Leaving the plan — You may voluntarily choose to transfer the value of your pension, known as the "commuted value", from the plan if you are under age 55 and:

- you have worked less than 350 hours for which contributions have been made on your behalf, over a period of two consecutive calendar years, and
- you are not actively working for another employer that has a reciprocal agreement with T4P.

You must transfer the commuted value of your pension to another registered plan or a locked-in account, unless your pension qualifies as a "small" pension (see definition on page 40).

If you die — If you die before your pension begins, your spouse, beneficiary or estate will receive a death benefit equal to the total commuted value of the pension you have earned. If you die after your pension has started, death benefits (if any) will depend on the pension payment option you chose at retirement.

How to join the plan

You automatically join the plan in the first reporting period for which your employer pays a pension contribution on your behalf. You remain an active plan member for as long as you continue to be a member of a participating union and contributions continue to be made to the plan on your behalf.

How the plan works

Pension plans are about securing our financial futures — and can be a little complex at first glance. They use strange terms, complicated formulas, and government-set rules and restrictions. When you strip them down, however, pension plans are actually fairly easy to understand. Apart from a few differences in the details, most pension plans work pretty much the same way.

1. Regular contributions flow into a pension fund — basically a pot of money that is held in trust for the plan members.
2. The contributions are invested by professional money managers.
3. At retirement, the funds in the pot are used to provide a retirement income (or pension).

Money in, money invested, money out. This is exactly how our plan works.

Contributions

Your employer is required to make a contribution to the pension plan for each eligible hour (or mile driven, if applicable) as defined in your collective agreement. The exact amount of the contribution is set out in your collective agreement. Each participating employer for whom you have worked reports your hours, and sends the contribution to the administrator. These hours are recorded, and the money is deposited in the pension trust fund along with contributions for the other members.

> **You do not pay tax on employer contributions, but they are counted against your RRSP contribution room for the following year.**

Investments

Professional investment managers invest the trust fund in stocks, bonds and other types of investments based on guidelines established by the Trustees. The trust fund is used to provide pensions to members and their beneficiaries, and to pay the expenses of operating the plan.

Retirement

At retirement, the pension you have earned is calculated by applying a formula to your eligible hours.

How to calculate your pension

The pension you receive is based on a formula that is applied directly to your eligible hours. The formula is determined by the Board of Trustees based on the recommendation of the plan's actuary, and can change depending on the financial health of the plan. The financial health of the plan, in turn, depends on many things, including the expected level of contributions, investment returns, the age of the membership, average life expectancy, and the cost of plan features such as early retirement.

The current formula is $3.45 of monthly pension for every 100 hours contributed by your employer. This is based on a contribution rate of $3.30 per hour. If your employer contributes either more or less than this amount, your pension will be prorated. The Trustees may change this formula from time to time based on the financial health of the plan.

Keep in mind that the actual monthly pension you receive may be higher or lower than the amount provided by the formula depending on which pension payment option you choose, and whether you retire before age 65. See "Your pension payment options" on page 15 to find out more.

> **Remember, pension benefits may increase or decrease depending on the financial health of the plan.**

Keeping track of your pension

Once a year, you will receive a detailed pension statement. This statement will show eligible hours and the pension earned in that year, and the amount of pension you have earned so far. Please check your statement (including the hours reported for the year) carefully to make sure your information is correct and complete. If it is not correct, please contact the administrator immediately.

> **Your T4P pension is paid in addition to any Canada Pension Plan (CPP) and Old Age Security (OAS) benefits for which you may qualify.**

When you can retire

To receive a T4P pension, you must apply to the administrator.

At age 65

You can retire with a full pension at the end of the month after you reach age 65.

Before age 65

Because not everyone wants to (or can) work until age 65, you can retire with a reduced pension as early as age 55.

If you ended your membership in the plan after age 55, your pension is first calculated the same way as a pension at age 65 and is then reduced by applying a factor as shown on page 13 in Column A: membership ends after age 55.

If you ended your membership in the plan before age 55, or if you don't have at least one full year of service, the reduction will be actuarially equivalent. See Column B: membership ends before age 55 on page 13.

Retiring before age 65 example

John works until age 60 before he applies for his pension. John selects a pension payment option that provides a pension payable for life, with a five-year guarantee. Under this option, John's monthly pension starting at age 65 is $1,200. Because John retires five years early at age 60, his pension will be permanently reduced to $1,140. Here's how it is calculated:

John's monthly pension at age 65	$1,200
multiplied by 95%	x 0.95
Equals monthly reduced pension	$1,140

If John retires five years early, his monthly pension would be permanently reduced by $60 a month ($1,200 – $1,140 = $60). He will receive a monthly pension of $1,140 beginning at age 60.

This pension will be paid for John's life, with a five-year guarantee. If John dies before receiving 60 monthly payments, the balance of the payments owing will be paid to his designated beneficiary. If John dies after at least 60 monthly payments have been paid, no further payments are made.

	Column A: pension plan membership ends after age 55 (special early retirement)	**Column B: pension plan membership ends before age 55 (actuarially equivalent early retirement)**
Age at retirement date	Factor applied to pension at age 65	Factor applied to pension at age 65
65	1.00	1.0000
64	.99	.9255
63	.98	.8574
62	.97	.7953
61	.96	.7383
60	.95	.6862
59	.90	.6383
58	.85	.5942
57	.80	.5536
56	.75	.5162
55	.70	.4816

The factor for ages (in years and completed months) falling between those in the table above are determined by interpolating between the closest ages.

An important decision

Your retirement date can have a big impact on your monthly pension amount.

If you retire early, your pension is reduced for two main reasons:

1. you won't work as long so the total contributions used to calculate your pension will be less, and
2. your pension is expected to be paid over a longer period so the monthly payments must be reduced to keep the same overall value.

It's very important to note that early retirement reductions are based on whether you ended your membership in the plan before or after age 55, and on your age when your pension starts. The closer you are to reaching age 65, the smaller the early retirement reduction will be.

After age 65

On the other hand, because not everyone wants to (or can) retire by age 65, you also have the option to delay your retirement. In this case, contributions will continue as usual and your pension will continue to grow. Under current tax rules, your pension must be started no later than December 31st of the year in which you turn 71, even if you continue working.

Your pension payment options

Deciding when you want to retire is a big decision. Another big decision is your choice of pension payment option. The option you choose will have an impact on the amount of your monthly pension and how much your spouse or beneficiary receives after your death.

Some things to consider

Here are some things you should keep in mind before you choose a pension payment option:

> **You should apply for your T4P pension at least three months before you plan to retire.**

1. It is up to you to apply for your T4P and government pensions. You should apply for your T4P pension at least three months before you plan to retire. Government benefits (Canada Pension Plan and Old Age Security) can take longer to process (see page 35 for government contact information).
2. Your pension will be paid for your lifetime. It doesn't matter which option you choose; you will receive your pension from the T4P for the rest of your life.
3. If you have a spouse when you retire: By law you must choose a form of pension that, in the event of your death, provides a continuing pension to your spouse of

at least 60% of your pension. If you wish, you can choose a different payment option that provides either 66⅔% or 100% of your pension to your spouse.

If your spouse doesn't need a pension, it can be declined if your spouse signs a special legal waiver. In this case, you will be eligible for the options in #4 below.

4. If you don't have a spouse when you retire: Your pension will be paid as a lifetime pension with a five-year guarantee period. If you wish, you can choose a different payment option that provides a pension for your life only or a lifetime pension with a 10-year or 15-year guarantee period.
5. If you retire before age 65: You may be eligible for the "level income" option that increases your T4P pension from the date you retire until you reach age 65, which is the date your Old Age Security (OAS) and Canada Pension Plan (CPP) benefits typically begin. At age 65, your T4P pension is reduced to allow for the recovery of the increased payments made up to that point. The level income option is intended to provide a steady amount of monthly income from your combined T4P, OAS and CPP benefits throughout your retirement. This option is not available once you reach age 65.

> **If you take the level income option, keep in mind that the reduction at age 65 is based on the maximum OAS and CPP benefits at the time of retirement.**

6. You can't change your payment option once you begin receiving your pension. That's why it's important that you take the time to learn about your choices before you make a decision.
7. If you have a "small" pension: If your pension qualifies under the "small" pension rules under pension law in your jurisdiction, instead of receiving your pension in monthly instalments, you may receive the lump-sum or commuted value of your pension (please see page 40 for the definition of "small" pension in your jurisdiction). You can choose to receive either a one-time taxable cash payment or transfer the lump sum to a non-locked-in RRSP.

Please refer to the tables on pages 19 and 20 for details about each of the payment options. We highly recommend that you talk to a qualified professional financial advisor before choosing your pension payment option. To find a qualified advisor near you, the Financial Advisors Association of Canada is a good place to start. Visit the "Find an Advisor" page from the "For the public" section at **www.advocis.ca** or call toll-free 1-800-563-5822.

Who is your "spouse"?

Under Alberta pension law, your spouse is your "pension partner"; in other words, the person who is:

1. married to you and has not been living separate and apart from you for a continuous period longer than 3 years; or
2. not married to you but immediately before your death or retirement had been living with you:
   - in a marriage-like relationship continuously for at least three years, or
   - in a marriage-like relationship of some permanence if there is a child of the relationship by birth or adoption.

You can claim only one person as your spouse at any one time.

If you work in a province other than Alberta, or if you work in federally regulated employment, the pension law of that jurisdiction defines who your spouse is. Please see page 42 for the definition of "spouse" in your jurisdiction.

Choosing a pension that's right for you

The following tables list the different pension payment options available to you — and provides an estimate of the impact they might have on your monthly pension. These examples assume you and your spouse are age 65 and you've earned a monthly pension of $1,200 from the plan.

Your actual monthly pension will be based on the benefit you have earned and both your own and your spouse's age at retirement (see "When you can retire" on page 11).

If you don't have a spouse (or your spouse signs a waiver)

Pension payment option	Description	Paid to you each month
Lifetime pension with a minimum five-year guarantee period	Pension paid for your life. If you die before receiving 60 monthly payments, the pension payments will be paid to your beneficiary or estate monthly, until the balance of the 60 payments have been made.	$1,200.00
Lifetime pension with a minimum 10-year guarantee period	Pension paid for your life. If you die before receiving 120 monthly payments, the pension payments will be paid to your beneficiary or estate monthly, until the balance of the 120 payments have been made.	$1,171.20
Lifetime pension	Pension paid for your life only. Monthly payments will stop at the end of the month in which you die and no further benefits will be paid from the plan.	$1,210.80

Remember, if you have a spouse when you retire, you must choose a payment option with 60%, 66⅔% or 100% of your pension continuing to your spouse, unless your spouse signs a special legal waiver declining this option.

If you have a spouse

Pension payment option	Description	Paid to you each month	Paid to your spouse each month after your death
60% spouse's pension	Pension paid for your life with 60% continuing to your spouse for his or her lifetime after your death.	$1,103.40	$662.04
66 2/3% spouse's pension	Pension paid for your life with 66 2/3% continuing to your spouse for his or her lifetime after your death.	$1,092.72	$728.48
100% spouse's pension	Pension paid for your life with 100% continuing to your spouse for his or her lifetime after your death.	$1,041.84	$1,041.84

How to apply for your pension

To begin your monthly pension, please call the administrator at least three months before your planned retirement date. The administrator will confirm your mailing address and send you an information package that includes a statement of your estimated pension. This information will be helpful when you choose your pension payment option.

You will need to review everything in your package, complete the required forms and return them to the administrator within 90 days, or your retirement date may be delayed.

When you retire, you will also need to provide proof of age (a valid driver's licence, passport, citizenship certificate, or your birth or baptismal certificate) for both you and your spouse.

Your monthly pension payments

Your pension is deposited directly to your bank or other personal account at the end of each month beginning the first month after you retire. If you retire outside of Canada, your pension will be paid by cheque and mailed to you. To avoid missing payments, please make sure to let the administrator know of any changes in your address or banking arrangements.

Income tax

Income tax may be deducted from your pension each month before it is paid to you. The amount that is deducted is based on your Form TD1, Personal Tax Credits Return.

Pension income splitting

Pension income splitting doesn't affect how or to whom your pension income is paid by the administrator. It's simply a way for you to reduce your individual income taxes. Your spouse can report up to half of your pension income on his or her tax return. All you need to do is submit Form T1032, Joint Election to Split Pension Income, available from the Canada Revenue Agency, with your tax return and complete an additional line on both your own and your spouse's tax returns.

If you are thinking about changing your tax deduction or splitting your pension income, we recommend that you first speak with an accountant or qualified financial advisor.

Life events

Death

Before you retire

If you die before your pension begins (and you have not already withdrawn your pension due to terminal illness), your spouse, beneficiary or estate will receive a death benefit from the plan. The death benefit is equal to the commuted value of your pension at the date of your death.

> **Under Alberta pension law, if your spouse signs a waiver, he or she cannot receive pre-retirement death benefits from the plan.**

If you have a spouse, he or she can:

- take the death benefit as a lifetime pension with a five-year guarantee period starting immediately,
- leave the death benefit in the plan and take a lifetime pension with a five-year guarantee period starting at age 65,
- transfer the death benefit to a locked-in retirement account, or
- transfer the amount to his/her employer's registered pension plan if that plan allows transfers.

If you die before your pension begins, the administrator will provide a statement outlining the options available to your spouse, beneficiary or estate.

Your spouse may waive his or her right to the pre-retirement death benefit by completing and signing a waiver before your death. If you work in employment governed by Alberta pension law, if your spouse signs a waiver, he or she cannot receive any pre-retirement death benefits from the plan — either as a named beneficiary or through the estate. Contact the administrator for more information.

If you don't have a spouse, or your spouse signed a waiver, the death benefit will be paid as a taxable lump sum to your beneficiary, or to your estate if you have not named a beneficiary.

If your beneficiary is someone other than your spouse, the death benefit is taxed as income and paid in a single sum.

After you retire

If you die after your pension begins, your spouse, beneficiary or estate may receive a death benefit from the plan, depending on the pension payment option you chose at retirement.

If you don't name a beneficiary, or your beneficiary is not living, any death benefit from the plan will be paid to your estate — and may be subject to probate fees, estate taxes and creditors.

Naming a child as beneficiary

If you decide that you would like to name your child or other minor as a beneficiary, there are some important steps you need to take.

1. If you have a spouse, he or she must sign a waiver giving up the right to the plan's death benefit.
2. You should appoint a trustee or guardian to look after the minor's benefit until he or she is 18 (a lawyer can help you choose and appoint this person).

> **If you don't appoint a trustee, the plan can pay the benefit to a legal guardian who has been appointed by the court. If the court does not appoint a guardian, current Alberta law states that any amount above $5,000 must be paid to the Accountant of the Superior Court who will hold the money until the minor reaches age 18. Different rules may apply outside Alberta.**

If you stop working for a participating employer before you retire

You will have two options if you stop working for a participating employer before you retire, and:

- you are under age 55,
- you have worked less than 350 hours for which contributions have been made on your behalf, over a period of two consecutive calendar years, and
- you are not actively working for another employer that has a reciprocal agreement with T4P.

You can:

1. leave your pension in the plan and start collecting it any time after you reach age 55. If you retire before age 65, your pension will be actuarially reduced. Your pension will be reduced according to the factors shown in the table on page 13 in Column B; or
2. voluntarily choose to leave the plan and transfer the commuted value of your pension.

If you leave the plan and transfer the commuted value of your pension, unless you qualify for a "small" pension (see page 40), your pension is "locked in" by law and must be transferred to one of the following:

- a locked-in retirement account, which must eventually be used to provide a retirement income; or
- your new employer's registered pension plan if that plan allows transfers.

These transfers are tax free. If you leave the plan and later return, you can rejoin the plan as a new member and begin earning pension benefits again.

If you stop working and if you meet the conditions above, the administrator will send you an information package that includes your options for your pension.

You will need to review everything in your package, complete the required forms and return them to the administrator within 90 days.

You will need to review everything in your package, complete the required forms and return them to the administrator within 90 days. Otherwise you will be assumed to have elected to leave your pension in the plan, and you will not be given another chance to transfer the commuted value of your pension at a later date.

Non-residency

If you leave the plan and are considered a non-resident for tax purposes, you may withdraw the cash value of your pension with proof of non-residency in writing from the Canada Revenue Agency (CRA). If you have a spouse, he or she must sign a legal waiver to give up his or her rights to your pension.

50% unlocking

Under Alberta pension law, if you leave the plan and are between age 50 and 55, you may be able to unlock up to 50% of your pension if you first transfer your commuted value to a locked-in retirement account (LIRA), then to a life income fund (LIF) or life income type benefit (LITB) account. Different unlocking rules may apply in jurisdictions other than Alberta. The unlocking of your pension is not available directly from the plan, so you should speak to your financial advisor or to the institution that will hold your LIRA.

> **If you work in a province other than Alberta or in federally regulated employment, different unlocking rules may apply. Please contact the administrator for more information.**

Disability

If you become totally disabled, you may qualify for one of two options:

1. you can continue to earn a pension based on eight hours per day or 160 hours per month at the contribution rate your employer would be required to contribute on your behalf if you were working; or
2. if you qualify for an early retirement pension, you may be eligible to receive a supplemental disability pension (with Trustees' consent).

To qualify for the first option (continue to earn a pension), you must meet the following conditions:

- you have a mental or physical disability that is total and permanent and that prevents you from doing any work for which you are reasonably suited by training, education and experience (or during the first 12 months of such disability, from work in which you were employed prior to the disability);
- immediately before the onset of disability, you must have been at work (or available under your dispatch rules) in employment for which your employer is required to make contributions to this plan;
- you did not terminate your plan membership before you became disabled;
- you provide acceptable proof of disability to the Trustees in the form of proof of receipt of a disability pension from the Canada/Quebec Pension Plan, a long term disability plan administered by Prairie Teamsters Administration Services, a company sponsored long term disability plan or long term disability under a Workers' Compensation plan; and
- you agree to any medical exam requested by the Trustees during your disability.

To qualify for the second option (receive a supplemental disability pension), you must meet the following conditions:

- you have a disability arising from injury or disease that prevents you from doing any work for which you would be paid;

- you have been disabled for at least 40 weeks;
- you have worked at least 300 hours and contributions have been made to the pension plan for you for those hours in the 12 months leading up to your disability;
- you did not terminate your plan membership before you became disabled;
- you are 55 or older;
- you provide acceptable proof of disability to the Trustees annually in the form of proof of receipt of a disability pension from the Canada/Quebec Pension Plan, a disability plan administered by Prairie Teamsters Administration Services, a company sponsored disability plan or long term disability under a Workers' Compensation plan; and
- you agree to any medical exam requested by the Trustees during your disability.

If you choose to retire early and you qualify, your supplemental disability pension will equal the reduction in your pension due to its early commencement (see Column A of the table on page 13). The supplemental pension will start at the same date as the regular pension and will continue for the rest of your life unless you recover before age 65. In that case, your supplemental disability pension will stop.

Please see "Terminal illness" on page 33 for information about accessing the commuted value of your pension in the event of shortened life expectancy.

Divorce or separation

If you and your spouse are living apart from each other, he or she may not qualify as your spouse under the pension law in your jurisdiction, even if you are still legally married (see page 42 for the definition of spouse under your jurisdiction's pension law). This means that he or she will not get any death benefit from the plan unless specifically named as your beneficiary. If you do not wish to name him or her as your beneficiary, no waiver is required. Simply complete a member information card with the name of your new beneficiary(ies) and give it to the administrator.

Keep in mind that your pension is considered a family asset. This means that any pension you earn while you and your spouse are married or living as a common-law couple may have to be divided based on any separation or divorce agreement. Your ex-spouse may be able to transfer his or her share of your pension as a lump sum or as an immediate or deferred pension. The exact options depend on your age and whether you have started to receive your pension.

If you have more than one ex-spouse, you may — depending on your separation or divorce agreements — have to divide some of your pension among each of your ex-spouses.

You must send a copy of your separation or divorce agreement to the administrator before you can receive your pension.

Keep in mind that it is not the employer contributions that are divided, but the pension earned on those contributions.

Financial hardship

Pension regulators are very strict when it comes to unlocking pension benefits. But if you're in a serious financial crunch, you can apply for a financial hardship withdrawal.

> **Different rules apply for unlocking your pension due to financial hardship if you work in a province other than Alberta or in federally regulated employment. Please contact the administrator for more information.**

To unlock funds from the T4P plan, you must first leave the plan (see page 7) and transfer the cash value of your pension to a special type of registered retirement savings plan (RRSP) called a "locked-in retirement account" (LIRA) or a "life income fund" (LIF). You'll need to submit an application to the financial institution that holds your LIRA or LIF in order to unlock the funds.

Under Alberta pension law, to qualify for a withdrawal from a locked-in retirement account, at least one of the following must apply:

1. your expected annual income is low (contact your financial institution/financial advisor for current amount);
2. you are at risk of foreclosure of your home;
3. you are at risk of eviction from your rented residence;

4. you need money to pay for the first and last month's deposits on a residence you wish to rent;
5. you need money to pay for medical treatment or for residential renovations, alterations or construction to accommodate use of a wheelchair or other needs related to a disability or illness affecting you, your spouse or any dependants of either of you.

Marriage or a new partner

Because your spouse has certain rights under the plan, it is very important that you keep the administrator informed of any changes in your marital status. If you have a new spouse (by marriage or common-law) after your pension begins, he or she will not qualify for any pension benefit after your death unless named as the beneficiary for any remaining payments in the guarantee period.

Moving

If you stop working in employment covered by the plan and then move to a different province or country, your pension benefits under this plan are still governed by the pension law of the jurisdiction you last worked in. It is very important that you keep the administrator informed of any changes in your address or personal information.

Terminal illness

It's probably not something you want to think about, but it's important for you to know that, if you found out that you were terminally ill before starting your pension, you could make a request to withdraw the commuted value of the pension you have earned from the plan as a single payment, or to start to receive monthly payments for a fixed term.

To apply for a withdrawal or monthly payments, you must complete an application for termination benefits. You can obtain an application by contacting the administrator. You must include the following information with your completed application:

1. proof of your age (used to calculate the cash value of your pension), and
2. a written statement from your doctor confirming that you have an illness or a disability that is terminal or likely to shorten your life considerably.

> **If you have a spouse, his or her written consent is required before you can withdraw the commuted value of your pension or start monthly payments.**

Keep in mind that if you have a spouse, his or her written consent is required before you can withdraw the commuted value of your pension or start monthly payments. This consent is important because your spouse has a right to death benefits that he or she will give up when you make a withdrawal. For this reason, you and your spouse should obtain independent professional legal and financial advice before making this decision.

After you submit the application, you will be notified of the commuted value of your pension and will be asked to complete a form indicating your preferred form of payment. You can withdraw all or part of the money as a taxable cash payment or make a tax-sheltered transfer to an RRSP or other registered account. You can also use all or part of the commuted value to start monthly payments for a fixed term.

Working and collecting a pension

By law, you cannot earn additional pension benefits while collecting a pension income from the same plan. If you continue to work for a contributing employer after you start your T4P pension, you will have two choices:

1. You can suspend your pension until you stop working. When you re-retire, the terms of your pension will remain the same but your monthly pension payment will be increased to reflect the additional pension you earned and your new retirement age.

2. You can continue to receive your regular pension payments. If you do this, there will be no increase in your regular monthly pension. Contributions paid by your employer will instead by invested in a separate section of the Plan.

If you work past December 31 in the year you turn age 71, you will automatically stop earning any additional pension benefits (this is a Canadian Income Tax rule).

Remember that both your income and your pension payments are taxable. This means that if you take your pension while you're still working, you might have to pay a higher rate of income tax.

Government programs

The benefits under this plan are entirely separate from and in addition to any benefits you may receive from government programs, such as the Canada Pension Plan (CPP), Old Age Security (OAS), or the Guaranteed Income Supplement (GIS) (which provides pension benefits for people receiving OAS who have an income below a certain level).

Visit **www.servicecanada.gc.ca** for more information or to download the application forms — or call Service Canada at 1-800-277-9914.

Personal savings

Personal savings are the best way to close any gap between your retirement income goals and your combined government and T4P pension. Tax-free savings accounts and registered retirement savings plans are two popular ways to save, but the Trustees recommend that you obtain independent financial advice about what's right for you.

Definitions

ACTUARY — An actuary is an expert in the mathematics of risk. Our actuaries advise our Trustees on the design and funding of our plan based on calculations involving estimates of future interest rates, retirement ages, work levels, life expectancy, etc.

ADMINISTRATOR — The administrator is responsible for the day-to-day management of the plan. This includes recordkeeping, processing retirement benefit applications and answering members' questions.

You can contact the administrator at:

Prairie Teamsters Administration Services Ltd.
#155, 7260 — 12 Street S.E.
Calgary, AB T2H 2S5
Telephone: 403-252-6924
Toll-free: 1-877-817-7526
Fax: 403-253-3231
Email: **info@ptadmin.ca**
Website: **www.ptadmin.ca**

BENEFICIARY — This is the person you name to receive your pension benefits if you die. If you have an eligible spouse, he or she is automatically your beneficiary, unless he or she signs a waiver. If you do not have a spouse — or your spouse signs a waiver — you may name anyone as your beneficiary. If your beneficiary is a minor, you should consider appointing a trustee or guardian to look after the child's benefits. Otherwise, your death benefits will be held in trust by the courts until the child reaches age 18. If you do not name a beneficiary, death benefits will be paid to your estate.

BOARD OF TRUSTEES — The Board of Trustees is made up of individuals who are responsible for managing the plan. They are appointed by the participating unions and are members of the plan.

CANADA PENSION PLAN (CPP) — CPP is a government program that provides you with retirement income. You can start taking your CPP pension as early as age 60 with a reduced benefit or wait until you reach age 65 for your full benefit. You can also delay your CPP pension until you reach age 70. If you retire after age 65, your CPP benefits will increase for each year you retire later.

CONTRIBUTING EMPLOYER — An employer that makes pension contributions to the T4P on your behalf based on its collective agreement.

COMMUTED VALUE — The commuted value – sometimes known as the "transfer" value – is the total value in today's dollars of the lifetime pension you have earned and would be entitled to receive at age 65 if you left your benefits in the plan. It is the amount of money that must be set aside today to provide your future pension.

EMPLOYER — An employer who makes contributions to the pension plan on your behalf based on your collective agreement.

GUARANTEED INCOME SUPPLEMENT (GIS) — GIS is a government program that provides additional support to low-income OAS recipients living in Canada. You must be eligible for an OAS pension to receive this tax-free supplement.

LEVEL INCOME OPTION — This is one of the payment options that you may be eligible for if you retire before age 65. A level income pension is designed to "smooth out" your T4P plus OAS and CPP payments so that you receive about the same amount of pension throughout your retirement. Your T4P pension is increased from the date you retire until you reach age 65 (the age your OAS and CPP benefits are assumed to begin). The amount of the increase depends on your age when you retire. At age 65, your T4P pension will be reduced.

LIFE INCOME FUND (LIF) — A LIF works much like a LIRA (see below), but is designed to provide a retirement income. You may contribute to a LIF as early as the calendar year before you reach age 55, but you must start withdrawing your funds by the end of the second year after your LIF is established. Annual minimum and maximum withdrawal limits apply.

Within the first 60 days of transferring your funds to a LIF, you can apply to your financial institution to "unlock" and withdraw up to 50% of your funds in cash. These funds are taxable unless you transfer them to an RRSP or RRIF (registered retirement income fund). If you don't apply within the first 60 days of the transfer, there will be no other opportunity to unlock this money.

LOCKED-IN RETIREMENT ACCOUNT (LIRA) — A LIRA works the same way as a registered retirement savings plan (RRSP), except that amounts in a LIRA are "locked in" and must be used to provide a retirement income (cannot be withdrawn in cash except under special circumstances). All funds in a LIRA must be used to buy an annuity (a "pension" you buy from an insurance company) or transferred to a life income fund (LIF) by the end of the year in which you reach age 71. If your place of last employment under the plan was under federal pension jurisdiction, the term "locked-in RRSP" is used instead of LIRA.

MEMBER — You are automatically a member of the pension plan if your employer makes pension contributions on your behalf.

OLD AGE SECURITY (OAS) — OAS is a government program that provides you with retirement income starting at age 65.

PENSION ADJUSTMENT (PA) — The amount you are allowed to contribute to a registered retirement savings plan (RRSP) in any year is reduced by the total employer contributions to the pension plan for the previous year. This reduction is called a "pension adjustment". Your PA is reported on your T4 and is reflected in the available RRSP contribution room reported on your Income Tax Notice of Assessment each year.

REGISTERED RETIREMENT SAVINGS PLAN (RRSP) — This is a type of account that lets your savings grow tax free. Your contributions to an RRSP also reduce your annual income tax (unless contributions are transferred in from another registered plan). If you withdraw money from an RRSP, tax is deducted first. When you retire, you may use your RRSP to provide a retirement income.

"SMALL" PENSION RULES — The pension laws of each jurisdiction define what qualifies as a "small" pension.

Small pension rules	
Jurisdiction	**Your pension is "small" if:**
Alberta	The commuted value of your pension is not more than 20% of the YMPE for the year the commuted value is calculated.
Federal	The commuted value of your pension is less than 20% of the YMPE for the year of the event.
Saskatchewan	The commuted value of your pension is not more than 20% of the YMPE or your annual pension is not more than 4% of the YMPE, using in both cases the YMPE for the year the commuted value is calculated.

Small pension rules	
Jurisdiction	**Your pension is "small" if:**
Manitoba	The commuted value of your pension is less than 20% of the YMPE or your annual pension at normal retirement date is not more than 4% of the YMPE, using in both cases the YMPE for the year of the event.
Ontario	The commuted value of your pension is less than 20% of the YMPE or your annual pension at normal retirement date is not more than 4% of the YMPE, using in both cases the YMPE for the year of the event.
British Columbia	The commuted value of your pension is not more than 20% of the YMPE for the year the commuted value is calculated.
New Brunswick	Determined according to Section 34 of the New Brunswick Pension Benefits Act; contact the administrator for further information.
Nova Scotia	The commuted value of your pension is less than 20% of the YMPE or your annual pension at normal retirement date is not more than 4% of the YMPE, using in both cases the YMPE for the year of the event.
Newfoundland	The commuted value of your pension is less than 10% of the YMPE or your annual pension is less than 4% of the YMPE, using in both cases the YMPE for the year of the event.
Quebec	The commuted value of your pension is less than 20% of Quebec YMPE for the year you cease to be an active member.

SPOUSE — The pension laws of each jurisdiction define who is your "spouse", "pension partner" or "common-law partner" for the purpose of your pension.

Spouse	
Jurisdiction	**Your spouse is:**
Alberta	The person who is: 1. married to you and has not been living separate and apart from you for a continuous period longer than 3 years; or 2. not married to you but immediately before your death or retirement had been living with you: • in a marriage-like relationship continuously for at least three years, or • in a marriage-like relationship of some permanence if there is a child of the relationship by birth or adoption.
Federal	If there is no "common-law partner", the person who is married to you (including a person with whom you have a void marriage), or your "common-law partner", which means the person who is cohabiting with you in a conjugal relationship for at least one year.
Saskatchewan	The person who is: 1. married to you, or 2. not married to you but immediately before your death or retirement had been living with you in a marriage-like relationship continuously for at least one year.
Manitoba	The person who is: 1. married to you; 2. registered as being in a common-law relationship with you under The Vital Statistics Act (Manitoba); 3. not married to you and who has cohabited with you in a conjugal relationship for a period of at least three years if either of you is married to another person, or at least one year if neither of you is married to another person.

Spouse	
Jurisdiction	**Your spouse is:**
Ontario	The person who is: 1. married to you; or 2. not married to you but who has been living with you in a conjugal relationship • continuously for a period of not less than three years; or • in a relationship of some permanence, if you and the other person are the parents of a child as defined in the Children's Law Reform Act (Ontario).
British Columbia	The person who is: 1. married to you and has not been living separate and apart from you for two or more consecutive years, or 2. not married to you but immediately before your death or retirement had been living with you in a marriage-like relationship continuously for at least two years.
New Brunswick	The person who is: 1. married to you (including a marriage that is voidable and has not been voided by a declaration of nullity, and a marriage in good faith that is void but you have cohabited with the person within the preceding year); or 2. not married to you but has been cohabiting with you in a conjugal relationship continuously for at least two years.

Spouse

Jurisdiction	Your spouse is:
Nova Scotia	The person who is: 1. married to you (including a marriage that is voidable and has not been voided by a declaration of nullity, and a marriage in good faith that is void but you have cohabited with the person within the preceding twelve-month period); or 2. your domestic partner under the *Vital Statistics Act* (Nova Scotia); or 3. not married to you and who has cohabited with you in a conjugal relationship for a period of at least three (3) years if either of you is married to another person, or at least one (1) year if neither of you is married to another person.
Newfoundland	The person who is: 1. married to you (including a marriage that is voidable and has not been voided by a declaration of nullity, and a marriage in good faith that is void but you have cohabited with the person within the preceding twelve-month period), or 2. not married to you and who has cohabited with you in a conjugal relationship for a period of at least three (3) years if either of you is married to another person, or at least one (1) year if neither of you is married to another person; and in either case, has cohabited with you within the preceding year.

Spouse	
Jurisdiction	**Your spouse is:**

Quebec	The person who is
	1. married to you or in a civil union with you; or
	2. not married to you or in a civil union with you, but who has been living with you in a conjugal relationship
	• continuously for a period of not less than three years; or
	• for a period of not less than one year if
	  • at least one child is born, or is to be born, of the relationship;
	  • you and the person have jointly adopted at least one child while living together in a conjugal relationship; or
	  • one of you has adopted at least one child who is the child of the other, while living together in a conjugal relationship.
	
	A person is disqualified from being your "spouse" if he/she and you are legally separated from bed and board *unless* (1) the person is named as your successor; or (2) you named the person in a notice to the administrator to that effect in accordance with the *Supplemental Pension Plans Act* (Quebec).

TAX-FREE SAVINGS ACCOUNT (TFSA) — All Canadian residents aged 18 or over can contribute a certain amount (contact your financial institution/financial advisor for current amount). A TFSA gives you no tax relief on contributions, but you pay no tax on investment income or capital gains. Withdrawals are tax free and the contribution room equal to the withdrawal is restored the following year. Unused contribution room can be carried forward for as long as you wish.

TRUSTEES — A Board of Trustees made up of representatives from Teamsters Locals 362, 395 and 979 who is responsible for the management of the plan. To view an up-to-date list of Trustees, please visit **www.ptadmin.ca**.

UNION — General Teamsters Local 362, Teamsters Local 395; and General Teamsters Local 979.

YEAR'S MAXIMUM PENSIONABLE EARNINGS (YMPE) — The maximum amount of annual earnings used to determine Canada/Quebec Pension Plan contributions and benefits.

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