



**The Electrical Industry  
of Ottawa**

# Pension Plan

**Effective Date: May 1, 2025**



# Electrical Industry of Ottawa Pension Plan

Effective May 1, 2025

## Board of Trustees

### Labour

James Barry  
George Kardaras  
Jason Lacombe  
Braydon Potter

### Management

Mark Conrad  
Chris Crawford  
Daryl Sharkey  
Jeff Tremblay

## Auditor

Bouris Wilson LLP

## Actuary, Consultant and Plan administrator

Ellement Consulting Group LP

### Important note

The purpose of this outline is to briefly explain the main features of this Pension Plan. This outline does not create or confer any contractual or other rights. The Trust Agreement and Plan Document of the Electrical Industry of Ottawa Pension Trust Fund and Plan and any government regulations govern all rights and obligations of the Plan.

### Registration

The Plan is registered with the Financial Services Regulatory Authority of Ontario (FSRA). The Certificate of Registration number 0586396 (formerly C-14944) was issued pursuant to meeting the requirements of the Pension Benefits Act of Ontario.

The Plan is also registered with the Canada Revenue Agency (CRA) registered plans division. The Certificate of Registration, number 0586396, was issued pursuant to meeting the requirements of the Income Tax Act.

## To all Members of the Electrical Industry of Ottawa Pension Plan

The Board of Trustees is pleased to provide this updated booklet which is designed to provide answers to the most commonly asked questions about the Pension Plan.

We encourage you to read the booklet carefully to ensure that you understand the benefits you are entitled to under the Pension Plan. This booklet should be stored with your other important documents for future reference.

Any questions regarding the benefits, administration or application for Pension benefits should be directed to your Plan administrator:



Ellement Consulting Group LP

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Fraternally yours,

The Board of Trustees

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# Definitions

## **Act**

The Pension Benefits Act, RSO, 1990 of Ontario and the regulations thereunder, as amended.

## **Actuarial equivalent**

A benefit of equal value computed upon an actuarial basis recommended by the Actuary and approved by the Board of Trustees.

## **Actuary**

A person who is a Fellow of the Canadian Institute of Actuaries or a firm employing such a person who is appointed Actuary for the Plan by the Trustees.

## **Beneficiary**

A person, or your estate, entitled under the terms of the Plan to receive pre-Retirement survivor benefits or post-Retirement survivor benefits on your death. Under the Pension Benefits Act of Ontario, a Spouse (legal or common-law) is automatically the beneficiary unless the appropriate waiver has been filed with the Plan administrator either prior to your death or the commencement of the Pension, as applicable.

## **Board of Trustees or Trustees**

The operation and administration of the Pension Plan is the joint responsibility of the Trustees appointed by the Union and those appointed by the Electrical Contractors' Association of Ottawa. The number of Trustees is eight, four of whom shall be Union or labour Trustees and the remaining four shall be Employer or management Trustees.

## **Canada Revenue Agency (CRA)**

The Canada Revenue Agency enforces the provisions of the Income Tax Act.

## **Cessation of membership or termination in the Plan**

Cessation of membership or termination in the Plan is defined as having ceased employment in the industry for any Company under Collective agreement with the International Brotherhood of Electrical Workers (IBEW) Local 586, or for a participating

Employer, for a Continuous period of at least 24 months. Nevertheless, a disabled member who qualifies for Workplace Safety and Insurance Board (WSIB) benefits or long-term disability benefits under the Electrical Industry of Ottawa Health and Benefit Trust Fund, or who is considered totally and permanently disabled as defined in this booklet, is considered active or employed during that time.

### **Collective agreement**

Any Collective agreement between the Electrical Trade Bargaining Agency of the Electrical Contractors' Association of Ontario and the International Brotherhood of Electrical Workers (IBEW) and the IBEW Construction Council of Ontario representing members of IBEW Local 586. It also includes any modification or amendment of the agreement, by the terms of which the Employer agrees to make contributions to the Plan, which the Board of Trustees has agreed to accept.

### **Commutted value**

The value of a Pension, a Deferred Pension, a Pension benefit, or an ancillary benefit, calculated in the Prescribed manner and as of a fixed date. The Commuted value is calculated in accordance with the *Subsection 3570 of the Standards of Practice – Target Pension Arrangements* published by the Canadian Institute of Actuaries. The assumptions and methods used in determining the Commuted value must also be acceptable under the Pension Benefits Act of Ontario and the Income Tax Act.

### **Company**

Any of the Participating Employers accepted for participation in the Pension Plan by the Board of Trustees.

### **Continuous**

In relation to employment, membership or service, *continuous* means without regard to periods of temporary suspension of employment, membership or service and without regard to periods of temporary layoff from employment not exceeding two consecutive years in duration. It shall include any period prior to January 1, 1990, while an Employee is in receipt of benefits under the long-term disability program provided under the Electrical Industry of Ottawa Health and Benefit Plan and any periods after December 31, 1989, while an Employee is totally and permanently

disabled as defined in this booklet. It also includes any period to a maximum of one year for which an Employee is in receipt of benefits under the Workplace Safety and Insurance Board (WSIB) benefits program.

### **Corporate trust agreement**

The agreement or contract entered into between the Trustees and the financial institution appointed by the Trustees for the purposes of the investment of the fund established under this Plan.

### **Credited service or Pensionable service**

The number of years, and fractions thereof, of membership in the Plan from the date of joining this Plan, up to the earlier of the date of termination, death or Retirement. In determining fractions of the Plan year, only completed months of Continuous membership shall be used. Credited service under the hour bank system means you will receive one hour of credited current service for each hourly contribution made by your Employer in accordance with the hourly rate defined in the ICI Collective agreement.

### **Deferred pension**

A Pension benefit, payment which is deferred until the Normal Retirement date of the person entitled to the Pension benefit, or such other date as may be specified.

### **Domestic contract**

A domestic contract as defined in Part IV of the Family Law Act.

### **Employee**

A person who is a Member, or an Employee of the International Brotherhood of Electrical Workers (IBEW) Local 586 and is employed on a regular, permanent, salaried, or hourly-rated basis; or a person employed by a participating Employer.

### **Employer**

Any Employer accepted by the Board of Trustees as a contributing or Participating Employer.

### **Enrolment date**

The date upon which enrolment in the Plan takes effect.

## **Financial Services Regulatory Authority of Ontario (FSRA)**

The Financial Services Regulatory Authority of Ontario is the provincial regulator that enforces the terms of the Pension Benefits Act of Ontario.

### **Former member**

A person who has terminated employment or membership in the Pension Plan; and

1. is entitled to a Deferred Pension payable from the Pension Plan; or
2. is entitled to receive any other payment from the Pension Plan.

### **Fund or Trust Fund**

The fund established for purposes of the Plan held in trust by the financial institution with whom the Trustees have entered into an agreement for this purpose. The assets of the fund are managed by the Board of Trustees for the benefit of the beneficiaries of the trust.

### **Government regulations**

The Pension Benefits Act of Ontario, the Income Tax Act, and any other provincial or federal legislation governing registered pension plans.

### **Hourly worker**

Refers to a member working on an hourly basis under the terms of the Collective agreement.

### **ICI**

Industrial, commercial, and institutional construction sector.

### **Immediate pension benefit**

A Pension benefit that is to commence within one year of your entitlement to it.

### **Life annuity**

A contract that provides an income for life.

### **Life income fund (LIF)**

A life income fund that meets the requirements for a registered retirement income fund (RRIF) under the Income Tax Act.

## **Locked-in**

A member in the Plan may not receive his/her Pension credits in a lump sum cash settlement but must accept on Retirement a monthly benefit as stipulated by the Pension Benefits Act of Ontario and the Regulations.

## **Locked-in retirement account (LIRA)**

A non-commutable registered retirement savings plan as defined in the Income Tax Act.

## **Member**

A person who has satisfied the conditions for membership in the Plan and who has neither ceased membership in, nor Retired from, the Plan.

## **Multi-Employer Pension Plan (MEPP)**

A pension plan established and maintained for employees of two or more employers who contributed or on whose behalf contributions are made to a pension fund by reason of agreement, statute or municipal by-law to provide a Pension benefit that is determined by service with one or more of the employers, but does not include a pension plan where all the employers are affiliated within the meaning of the Business Corporations Act, 1982.

## **Normal retirement date**

The first day of the month coinciding with or next following the attainment of age 65.

## **Participating employer**

An Employer which has been accepted by the Board of Trustees for participation in the Electrical Industry of Ottawa Pension Plan.

## **Pension**

A monthly Pension benefit that is in payment.

## **Pension benefit**

A periodic amount to which under the terms of the Plan, you or your Spouse, other Beneficiary or estate may become entitled.

## **Pension benefit credit**

The Commuted value at a particular time of your Pension benefit and other benefits under the Pension Plan.

## **Pension Benefits Act**

The Pension Benefits Act RSO, 1990 of Ontario and its Regulations as amended from time to time, including any other applicable acts of a substantially similar nature adopted by any other province or by the government of Canada.

## **Pension Plan or Plan**

The Electrical Industry of Ottawa Pension Plan and Trust Fund and any of its amendments or supplements. For the purpose of the Income Tax Act, the Pension Plan is recognized as a specified multi-employer pension plan (SMEPP) of the defined benefit type.

## **Plan administrator**

The person or persons that administer the Pension Plan as appointed by the Trustees.

## **Plan year or fiscal year**

The 12-month period commencing January 1<sup>st</sup> and ending December 31<sup>st</sup> each year.

## **Prescribed**

Pursuant to the requirements for registration.

## **Registered retirement savings arrangement**

A registered retirement savings plan established in accordance with the Income Tax Act (Canada) or a registered income fund established in accordance with that Act.

## **Retire, Retirement and Retiring**

Termination of employment with a Participating Employer or of membership in the IBEW Local 586 on or after the date you become eligible for a Pension benefit and shall be deemed to occur on the date you commence to receive an immediate Pension, whether or not your employment or membership in the local has terminated.

## **Retired member**

You are a Retired member of the Pension Plan if you have either terminated the employment that relates to the Pension Plan or you have terminated membership in the Pension Plan and if one or more of the following criteria is also satisfied:

1. you are receiving a Pension payable from the Pension Fund;

2. you are entitled to begin to receive a Pension from the Pension Fund by virtue of having reached the Normal Retirement date under the Pension Plan, even though you have not yet elected to receive the Pension;
3. you have elected to receive an early Retirement Pension;
4. you have elected, under the terms of the Pension Plan, to begin payment of a Pension payable from the Pension Fund, whether or not receipt of the first payment of the Pension is deferred until a later date.

## **Spouse**

Either of two people who:

1. are married to each other; or
2. are not married to each other and are living together in a conjugal relationship:
  - i. Continuously for a period of not less than three years; or
  - ii. in a relationship of some permanence if they are the parents of a child, as set out in Section 4 of the Children's Law Reform Act.

## **Specified Ontario Multi-Employer Pension Plan**

The Plan is designated as a Specified Ontario Multi-Employer Pension Plan (SOMEPP) since August 4, 2020, and is funded on a going-concern basis which assumes that it will continue indefinitely and exempt from Ontario's solvency funding rules.

## **Total and permanent disability**

Suffering from a physical or mental impairment that prevents you from engaging in any employment for which you are suited by education, training, or experience and that can reasonably be expected to last for the remainder of your lifetime.

## **Trust agreement**

The agreement that identifies the methods of receipt, investment and disbursement of funds of the Plan and Trust Fund. It contains: provisions for investment powers of Trustees; irrevocability and non-diversion of trust assets; payment of legal, trustee and other fees relative to the Plan; exculpatory clauses pertaining to the liability of Trustees; periodic reports to the Employer or Union by the Trustees; records and accounts to be maintained by the Trustees; conditions for removal, resignation or replacement of

Trustees; benefit payments under the Plan; and the rights and duties of the Trustees in case of amendment or termination of the Plan.

### **Trustees**

The Board of Trustees of the Electrical Industry of Ottawa Pension Plan.

### **Union**

The International Brotherhood of Electrical Workers Local 586.

### **Vesting or vested**

Vesting refers to the degree to which you are entitled to the Pension provided by the Employer contributions.

### **WSIB benefits**

Workplace Safety and Insurance Board benefits.

### **Year's Maximum Pensionable Earnings (YMPE)**

Year's Maximum Pensionable Earnings (YMPE) shall have the meaning Prescribed under the Canada Pension Plan (CPP).

In this booklet, words denoting the masculine gender include the feminine gender, and the singular includes the plural, unless the context specifically provides otherwise.

# Define the role of:

## **Actuary**

A person professionally trained in the technical and mathematical aspects of insurance, pensions, and related fields. The actuary estimates how much money must be contributed to a pension fund each year to support the benefits that will become payable in the future.

## **Administrator**

The administrator is the Board of Trustees of the Electrical Industry of Ottawa Pension Plan and Trust Fund. The Board of Trustees can delegate the day-to-day administration to a third-party administrator responsible for the payment of benefits and the provision of other administrative services such as record keeping, accounting, and communicating with Plan Members. The administration has been delegated to Ellement Consulting Group LP (“Ellement”).

## **Auditors**

The firm appointed by the Board of Trustees to conduct a systematic investigation of procedures or operations to assess conformity with Prescribed criteria. The auditors certify the accuracy of the financial statements on an annual basis.

## **Board of Trustees**

The Board of Trustees makes the significant policy decisions that give the fund its direction. The Board of Trustees does not “run” the fund in an operational sense. It delegates the day-to-day administration to a professional administrator.

## **Consultant**

The party appointed by the Board of Trustees responsible for advising on the general management of the fund, ensuring that the Plan is in compliance with the government regulations, drafting of the Plan’s policies, reviewing and maintaining contracts and providing any other services required by the Trustees.

## **Investment manager**

A professional money manager appointed by the Board of Trustees to make the decisions relative to the asset mix and security selection of the fund’s portfolio.

# Summary of the provisions of the Plan

## Purpose

### **Q. What is the purpose of the Pension Plan?**

A. The purpose of the Pension Plan is to provide Retirement benefits as a monthly pension to you on your Retirement. As well, the Plan provides benefits on the termination of your membership or your death prior to Retirement. These are in addition to those benefits provided through the Canada Pension Plan and Old Age Security (OAS). The Plan may also provide benefits to your surviving Spouse. After retirement, the plan may also provide benefits to your surviving spouse or designated beneficiary based on the optional form elected at your retirement date.

## Mission statement

### **Q. What is the Plan's mission statement?**

A. The Pension Plan's mission statement is to advance the financial benefit security of all Plan Members and Beneficiaries by providing fully funded Pension benefits for reasonable and stable contribution rates.

The Plan will:

- provide efficient and effective investment management designed to achieve the highest possible return at an acceptable level of risk;
- create and maintain an environment that promotes the interests of Plan Members and Beneficiaries;
- provide high quality, cost effective service to Plan Members and Beneficiaries; and
- provide effective and efficient governance processes.

## Effective date

### **Q. When did the Plan become effective?**

A. The effective date of the Plan is January 1, 1974. It operated as a brotherhood system from inception to December 31, 1993. Effective January 1, 1994, it was converted to a quasi-hour bank

system. Shortly thereafter, it became a full hour bank system retroactive to January 1, 1994. This booklet includes all revisions through to May 1, 2025.

## **Eligibility**

### **Q. Who was eligible, AT the effective date of the Plan?**

A. Persons who were members of the IBEW Local 586 on January 1, 1974 were eligible to join the Plan as of that date.

### **Q. Who is eligible, AFTER the effective date of the Plan?**

A. If you became a Member of the IBEW Local 586 after January 1, 1974, you are eligible to join the Plan on the date of your employment, provided you are then under the age of 65.

Employees of the Union, owners, electrical contractors and their salaried workers are also eligible to join this Plan, subject to approval by the Board of Trustees, effective on the first day of the month coincident with or next following the date of employment or on January 1, 1974, whichever is later, but only if under the age of 65.

## **Enrolment**

### **Q. How do I enrol?**

A. You must complete an registration form and submit it to the Plan administrator. Forms are available on the Plan's website, from the Union hall or the Plan administrator's office.

## **Beneficiary designation**

### **Q. How do I designate a Beneficiary or submit a change of address, marital status or Beneficiary?**

A. The registration form is used to notify the Plan administrator of a change of personal information including a change to your address, marital status and/or Beneficiary designation. Completing a form every time a change is required and submitting it to the Plan administrator will ensure that your file is handled properly.

## **Participation**

### **Q. Is participation in the Plan mandatory?**

A. Yes. As a condition of employment and as specified in your Collective agreement, all eligible Members must become Members of the Pension Plan.

# Contributions

## **Q. How is the Plan funded?**

A. The Plan is funded through Employer contributions made at the hourly rate determined in your Collective agreement. The contribution rate may change from time to time, as negotiated.

## **Q. Can I make voluntary contributions?**

A. No.

## **Q. Will Pension contributions continue to be made on my behalf while on parental leave?**

A. Yes. Employer contributions to the Pension Plan will be made while you are on parental leave in accordance with Clause 900 J.10 of the Principal Collective Agreement.

## **Q. Will Pension contributions continue to be made on my behalf if I collect long-term disability benefits?**

A. No. With the exception of the one-year extension while on WSIB, benefits will not accrue during the period of long-term disability.

## **Q. If I go on WSIB do I continue to accrue Pension benefits?**

A. Under Bill 162, if you are absent from work due to employment injury or illness, you are entitled to have benefits accrue for a maximum of one year. You must provide copies of the letter of approval from WSIB and copies of the WSIB pay stubs as proof of your eligibility. Your account will be credited with 144 hours for every full month you are in receipt of WSIB benefits to a maximum of 12 months. Partial months will be pro-rated.

## **Q. If I participate in the Plan, how do I know how much I can contribute to my RRSP?**

A. The Canada Revenue Agency (CRA) issues an annual notice of assessment indicating your RRSP contribution limit for the taxation year using your earnings and the Pension Adjustment for the previous year.

## **Q. What is the Pension Adjustment (PA)?**

A. The CRA introduced measures to equalize the amount you may contribute to your retirement savings in a given year, regardless of the type of plan under which you are covered. The PA is the amount by which your RRSP contribution limit is reduced in recognition of the value of benefit accruals under

the Pension Plan. The higher the value placed on your accrued Pension benefits each year, the lower your RRSP contribution room, and vice versa. Your PA is reported each year in Box 52 of your T4 slip.

**Q. How is my PA calculated?**

A. The PA is calculated in accordance with the terms of the Income Tax Act. Your Plan qualifies as a specified multi-employer plan (SMEP). As such, the value of your PA is simply the contributions made to the Plan on your behalf in a given year.

**Q. Who reports the PA?**

A. Your Employer(s) is(are) responsible for reporting the PA on your T4 slip, including periods while on parental leave. If you qualify for WSIB benefits and accrue Pension benefits during the first 12 months of your claim, the Plan administrator will report the PA.

## Vesting

**Q. Do Employer contributions made on my behalf belong to me?**

A. Employer contributions made on your behalf must be used to provide a monthly Pension at Retirement. Vesting is immediate. You do not receive your Employer Contributions as a lump sum.

## Locking-in

**Q. When do my Pension benefits become “locked-in” under the legislation?**

A. All required contributions that have been made by the Employer(s) as well as the accumulated Pension credits are locked-in.

This means that on termination or Retirement, you must accept a Deferred or immediate annuity that provides a monthly Pension for life. Neither the accumulated funds nor the value of your Deferred Pension can be withdrawn in a lump sum cash settlement unless:

1. the amount of Pension accrued is less than 4% of the YMPE as defined yearly by the Canada Pension Plan/Quebec Pension Plan (CPP/QPP).

2. the Commuted value of your Deferred Pension is less than 20% of the YMPE in the year you terminate membership in the Plan.

## Unlocking locked-in funds

### **Q. Is there any way for me to access the locked-in funds directly from the Plan?**

A. If you suffer from an illness or physical disability that is likely to shorten your life expectancy to less than two years, you may apply to unlock your Pension funds from the Pension Plan. Application must be made on the Prescribed form (Form 5 issued by the Financial Services Regulatory Authority of Ontario) and filed with the Plan Administrator.

It is important to note that, except for shortened life expectancy, other unlocking options are not available while your funds are in the Pension Plan. You must first terminate your membership in the Plan and transfer your account balance to an Ontario LIRA or LIF.

## Benefits on termination

### **Q. When can I terminate my membership in the Plan?**

A. Termination or Cessation of membership in the Plan is permitted once you have ceased employment for a participating Employer and no contributions are due on your behalf for a Continuous period of at least 24 months. You may not terminate your membership while you are deemed totally and permanently disabled as defined in this booklet, or while you are in receipt of WSIB benefits.

### **Q. What are my options on termination?**

A. If your membership in the Plan terminates while you are entitled to a Deferred Pension benefit, you may transfer the Commuted value of the Deferred Pension benefit either:

1. to the Pension Fund related to another Pension plan registered under the Pension Benefits Act of Ontario, if the administrator of the other Pension plan agrees to accept the payment; or
2. to a locked-in retirement account (LIRA); or
3. to a life income fund (LIF); or
4. to purchase a deferred life annuity or immediate life annuity.

**Q. If I terminate my membership in the Plan, may I leave the Pension benefit credit in the Plan until Retirement?**

A. Yes. You may leave your accrued Pension benefit in the Plan until you are ready to Retire. Please note your Pension payments must commence by the end of the year you attain age 71 as required by the Income Tax Act.

**Q. How do I apply to transfer funds from the Plan?**

A. To apply to transfer funds, contact the Plan administrator for a termination package and complete the necessary form(s).

**Q. If I remain in the electrical industry but transfer my union membership to another local or to the Commission de Construction du Quebec (CCQ), can I transfer the Pension benefit credit to that new local?**

A. Yes. You may apply for a permanent transfer of the Actuarial equivalent of your Pension benefit to the new home local in accordance with the National Reciprocal Agreement. All future hours remitted to the Electrical Industry of Ottawa Pension Plan while you are working in its jurisdiction will be reciprocated to your new home local if you proceed with a permanent transfer. You may also apply for a temporary transfer of the hours you worked in the Ottawa jurisdiction while your union membership is with another local or the CCQ.

## Retirement dates

**Q. What is the Normal Retirement date?**

A. Normal Retirement date is the first day of the month coincident with or following your 65<sup>th</sup> birthday. You may Retire as early as age 60 without penalty. Age 60 is known as the unreduced early Retirement date. You must advise the Plan administrator of your Retirement date no later than 30 days prior to your Retirement date.

**Q. What is the early Retirement date?**

A. You may Retire on the first day of any month following or coincident with your attainment of age 55. The Pension will be reduced by 0.5% for each month by which your Retirement date precedes your attainment of age 60.

The amount of monthly Pension you will receive will be equal to the amount of Pension which would otherwise be payable at age 60, reduced by the following percentage:

Age at retirement	Percentage reduction
60	0%
59	6%
58	12%
57	18%
56	24%
55	30%

### **Early Retirement example**

Reduction: 6% per year

<u>Your age</u>	<u>Reduced monthly pension</u>
59	<u><math>\\$3,000.00 \times 94\% = \\$2,820.00</math></u>
58	<u><math>\\$3,000.00 \times 88\% = \\$2,640.00</math></u>
57	<u><math>\\$3,000.00 \times 82\% = \\$2,460.00</math></u>
56	<u><math>\\$3,000.00 \times 76\% = \\$2,280.00</math></u>
55	<u><math>\\$3,000.00 \times 70\% = \\$2,100.00</math></u>

#### **Note:**

If you Retire early, the early Retirement penalty will apply as long as the Pension is payable. The unreduced amount will not be reinstated upon attaining age 60 or 65.

The normal form of Pension is a single life annuity with a five-year guarantee.

### **Q. What are my options if I become disabled prior to Retirement?**

A. If you are at least 50 years of age and have suffered from a total and permanent disability for a Continuous period of not less than 119 days you may, subject to the approval of the Board of Trustees, retire under Disability Retirement provision until your attainment of age 65 or until the end of your period of disability, whichever comes first. To be considered totally and permanently disabled for the purposes of this Plan, you must have medical evidence, certified by a qualified medical practitioner, confirming that a condition of total and permanent disability exists. The evidence must not be more than six months old at the time of your application. In addition, the

Trustees reserve the right to request proof of your application and qualification for WSIB, long-term disability and Canada Pension Plan or Quebec Pension Plan (CPP/QPP) disability benefits.

**Note:**

You may be eligible to collect both disability benefits and your Pension benefit at the same time if your total disability income does not exceed the maximum percentage of your pre-disability earnings (established by the source of your disability benefits).

*“Totally and permanently disabled”* means suffering from a physical or mental impairment that prevents you from engaging in any employment for which you are suited by your education, training or experience and that can reasonably be expected to last for the remainder of your lifetime.

The amount of your temporary disability benefit will be equal to the amount of Pension accrued to the date of your disability benefit eligibility date, without reduction. You must elect an optional form at your Disability Retirement Date.

**Q. What happens if I am disabled and reach age 65?**

- A. Upon attainment of age 65, you will continue to receive the same amount of pension as you elected at your Disability Retirement Date.

**Q. May I postpone my Retirement date beyond age 65?**

- A. Yes, you may postpone your Retirement date beyond age 65. The CRA requires that all Pensions commence payment by the end of the year in which you attain age 71. In the event that you made application for your Pension after your Normal Retirement date, your Pension will not commence retroactively to your Normal Retirement date but will commence on the first day of the month following the month in which you last worked, or the first of the month in which the Retirement application is received by the Plan Administrator, whichever is later. Furthermore, payment will be made without any interest adjustment or actuarial adjustment on the deferred payments. If you have ceased employment, there is no advantage to waiting to apply for your Pension beyond age 60. You must advise the Plan administrator of your postponed Retirement date no later than 30 days prior to that date.

**Q. May I return to work once I begin to draw my Pension?**

A. When you first apply for Retirement benefits, you will be required to complete and sign a mandatory IBEW Local 586 Rules Acknowledgement form. This form outlines the IBEW Local 586 rules concerning employment following Retirement and the accrual of additional Pension benefits.

When you attain your early or Normal Retirement age, apply for Pension benefits, and receive them in the form of a monthly Pension or as a lump sum transfer to a life income fund (LIF) or locked-in retirement account (LIRA), you will no longer be considered an active member of the bargaining unit and will not be eligible for hire through the local Union hiring hall.

If you wish to return to active status in the bargaining unit and return to work after the effective date of your Retirement, you will be required to suspend your monthly Pension and sign the IBEW Local 586 out-of-work list. The suspended payments will be forfeited, and you will not be entitled to a refund of the Employer contributions made on your behalf under the Collective agreement to which you are party. Any guarantee period associated with your chosen form of Pension will not be adjusted because of your suspension of Pension payments and will be calculated from your initial date of Retirement.

It is your responsibility to contact the Plan administrator to advise when you wish to return to a Retiree status and collect your monthly Pension. Payments will resume and will include credits for hours remitted to the Pension Plan during the period of re-employment following receipt of the final Pension contribution from the participating Employer and once you have been removed from the hiring hall call list.

## Applying for your Pension

**Q. How do I apply for my Pension?**

A. Once you have decided on a Retirement date, notify the Plan administrator at least one month in advance, by completing Monthly Pension Application. Once the Plan Administrator received your completed Monthly Pension Application, they will send you the retirement package for completion. You may schedule a meeting with the Plan Administrator to assist you with completing the retirement package.

**Q. Must I submit proof of age or marriage?**

A. Yes. You are required to furnish proof of your date of birth before any Pension payments are made to you. If you elect a type of Pension that depends on the survivorship of your Spouse, you are required to furnish proof of age of your Spouse as well as a copy of the marriage certificate, if applicable, and a declaration of marital status.

## Form of Pension

**Q. What is the normal form of Pension?**

A. The normal form of Pension is a single life annuity with a five-year guarantee. The benefit is paid for your lifetime. Should you die within five years (60 months) of your effective date of Retirement, payments will continue to your designated Beneficiary or estate, until a total of 60 monthly payments have been made. Your Beneficiary may elect to have the remainder of the guaranteed payments commuted and paid in one lump sum.

**Q. What form of Pension must I elect if I have a Spouse?**

A. If you have a Spouse at Retirement and are not living separate and apart from your Spouse, you must choose a joint and survivor annuity where the amount continuing to your Spouse following your death is not less than 60%. The monthly Pension will be the Actuarial equivalent to the normal form of Pension. Your Spouse may waive his/her rights to a survivor Pension. Please refer to the *Spousal waivers* section of this booklet for more information.

**Q. What other forms of Pension are available?**

A. The Plan provides other optional forms of Pension as follows:

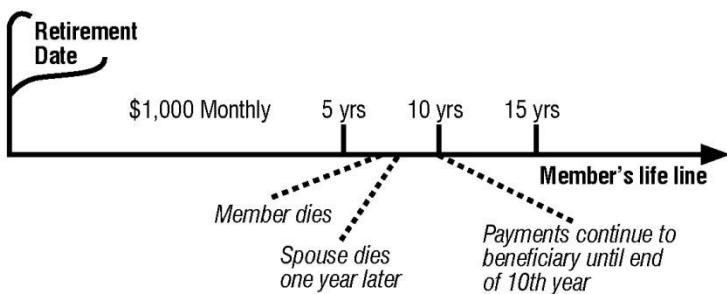
## Life annuities

**1. Single life annuity with a minimum guaranteed period**

Under this form of payment, you will receive a monthly income as long as you live. In addition, should you die before a specified number of payments have been made (usually 60, 120 or 180), the remaining payments are continued to a named Beneficiary or estate. The amount of Pension income you would receive under this option is less than the life annuity only option as there is a guarantee that payments will be made for a specified period.

### **Example:**

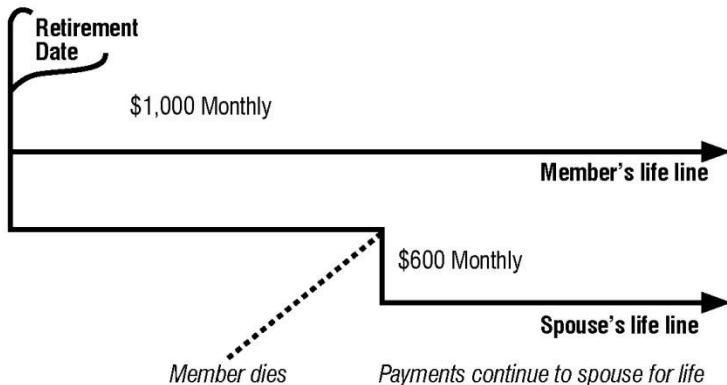
If you choose a life annuity with a 10-year guarantee, you will receive a monthly payment as long as you live, with the provision that if you die before receiving 120 monthly payments, your named Beneficiary or estate will continue to receive the balance of your monthly payments until a total of 120 payments have been made. The present value of the remaining payments may be paid in a lump sum as an alternative to the continuation of monthly instalments. Once this provision has been met, no further payment will be made.



## **2. Joint and last survivor annuity**

Under this form of payment, you will receive a monthly income as long as you live. Should you predecease the joint annuitant (your Spouse at Date of Retirement), the payments will continue to your Spouse at the chosen percentage for the Spouse's lifetime. When both you and your Spouse are deceased, payments cease.

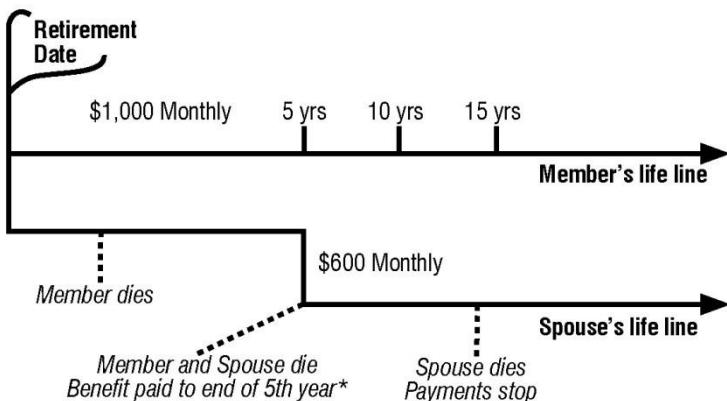
Your Plan offers survivor benefits of 60% or 100% of the amount payable immediately prior to your death.



**3. Joint and last survivor annuity with a guaranteed payment period**

Under this form of payment, you will receive a monthly income as long as you live. Should you predecease the joint annuitant (your Spouse at Date of Retirement), the payments will continue to your Spouse at the full amount until the end of the chosen guarantee period, at which time, they will reduce according to the level of survivor benefit chosen and continue for your Spouse's lifetime. Your plan offers joint annuities with a survivor benefit of 60% or 100% of the amount payable immediately prior to your death.

If both you and your Spouse die after the chosen guarantee period, payments cease. If both you and your Spouse die within the guarantee period, the payments will continue to the designated Beneficiary or estate until the end of the chosen guarantee period. The amount of Pension income you would receive under Option 2 or 3 is less than the single life annuity with or without guarantee periods as there is a provision for payments to continue to a joint survivor for life as well. This type of annuity often assists married couples in their retirement planning.



*\*Five year guarantee chosen at retirement*

If you have a Spouse at Retirement and are not living separate and apart from your Spouse, pension laws require that you take a reduced Pension which continues to your Spouse or common-law partner at a minimum level of 60% on your death. The only exception is if your Spouse agrees to waive his or her rights to a survivor Pension. This can only be done by your Spouse completing a special spousal waiver form which is available from the Plan administrator or the FSRA's website.

## Amount of Pension

### Q. How much of a monthly Pension will I receive at Retirement?

A. The amount of monthly Pension you receive at Retirement will depend on two factors:

1. the number of years of eligible Credited service you have between the inception of the Plan and January 1, 1994; and
2. the number of hours of Credited Service you work on or after January 1, 1994, and prior to Retirement.

The Plan operated as a brotherhood system from inception to December 31, 1993. Effective January 1, 1994, it was

converted to a quasi-hour bank system. Shortly thereafter, it became a full hour bank system retroactive to January 1, 1994.

Under the brotherhood system, all members in good standing with the IBEW Local 586 received the same Credited service regardless of the number of hours worked. Eligible Credited service is determined as the number of completed years and months from the later of January 1, 1974, or your entry date to the Plan up to and including December 31, 1993.

Under the hour bank system, members will receive one hour of credited service for each hourly contribution made by their employer in accordance with the hourly rate defined in the ICI Collective Agreement.

It is important to note that you must maintain your membership in the IBEW to participate in the Pension Plan, but the payment of union dues does not guarantee any benefits or serve to fund any of the benefits payable under the Electrical Industry of Ottawa Pension Plan.

## SAMPLE CALCULATIONS

### Uninterrupted Pensionable service from inception of the Plan

#### Brotherhood system

January 1, 1974, to June 30, 1988 (14.5 years)	
\$35 per year of eligible service =	\$507.50
July 1, 1988, to December 31, 1993 (5.5 years)	
\$40 per year of eligible service =	\$220.00
<b>Maximum accumulation under brotherhood system:</b>	<b>\$727.50</b>
Plus 5% ad-hoc adjustment (subject to eligibility criteria)	\$36.38
Plus 6% ad-hoc adjustment (subject to eligibility criteria)	\$45.83
Plus 5% ad-hoc adjustment (subject to eligibility criteria)	\$40.49
<b>Max enhanced accumulation under brotherhood system:</b>	<b>\$850.20</b>

#### Hour bank system

Pensionable service assuming you work 1,500 hours of Credited Service per year

January 1, 1994, to December 31, 1998 (5.0 years)	
1,500 hours x 5 years x \$0.0557 =	\$417.75
January 1, 1999, to December 31, 2001 (3.0 years)	
1,500 hours x 3 years x \$0.0683 =	\$307.35
January 1, 2002, to December 31, 2010 (9.0 years)	
1,500 hours x 9 years x \$0.0748 =	\$1,009.80
January 1, 2011, to December 31, 2023 (13.0 years)	
1,500 hours x 13 years x \$0.1165 =	\$2,271.75
January 1, 2024, to June 30, 2024 (6 months)	
1,500 hours x 0.5 years x \$0.1359 =	\$101.93
<b>Accumulation under hour bank system:</b>	<b>\$4,108.58</b>
(Assuming 1,500 hours per year and subject to eligibility criteria)	
(There is no limit on the number of pensionable hours)	

**Q. Will my Pension be adjusted for increases in the cost of living?**

A. No. Your Pension is not indexed.

**Q. Does this Pension affect my entitlement to CPP or OAS benefits?**

A. No. The Pension you earn with the Electrical Industry of Ottawa Pension Plan is payable in addition to the Canada Pension Plan or Quebec Pension Plan (CPP/QPP) and Old Age Security (OAS).

## Death benefits

**Q. What happens to the Pension credits that I have accumulated if I die before Retirement?**

A. If you die before the commencement of your Pension, and have a surviving Spouse at the time, your Spouse is entitled:

1. to receive a lump sum payment equal to the Commuted value of the Deferred Pension; or
2. to purchase an immediate or Deferred Pension, the Commuted value of which is at least equal to the Commuted value of the Deferred Pension. The benefit must begin no later than one year following your death and the end of the calendar year in which your surviving Spouse attains 71 years of age; or
3. to purchase a registered retirement income fund (RRIF) that meets the requirements under the Income Tax Act; or
4. to transfer the Commuted value to the Pension Fund related to another pension plan registered under the Pension Benefits Act of Ontario if the administrator of the other pension plan agrees to accept the payment; or
5. to transfer the Commuted value to a registered retirement savings plan (RRSP) arrangement as Prescribed under the Act.

These provisions do not apply if you and your Spouse are living separate and apart at the date of your death, or if your Spouse signed a waiver of pre-Retirement death benefit prior to your death.

Where no surviving Spouse exists, or where you and your Spouse are living separate and apart, your designated Beneficiary or estate will receive the Commuted value in a lump sum cash settlement.

**Q. How long does my Spouse have to decide on his/her options after my death?**

A. The law requires a surviving Spouse to notify the Plan administrator and decide on the necessary forms within 90 days from the date of death.

**Q. If I am married, can I designate a Beneficiary other than my Spouse?**

A. Yes, you may designate a Beneficiary other than your Spouse. However, to do so, your Spouse must complete a spousal waiver where the Spouse gives up all rights to a benefit on your death. These forms are available at the Plan administrator's office and must be filed with the Plan administrator prior to your death.

**Q. What happens to my Pension if I die after Retirement?**

A. If you die after you begin receiving a monthly Pension, the amount of any further benefit will be determined by the form of Pension you chose at Retirement.

Upon your death, the Plan may pay the Commuted value of the joint and last survivor benefit to the joint annuitant if, at the date of your death:

1. the annual benefit payable is not more than 4% of the YMPE; or
2. the Commuted value of the benefit is less than 20% of the YMPE.

Your surviving Spouse may require the Plan administrator to pay the Commuted value into a registered retirement savings arrangement by delivering a direction to the Plan administrator within the Prescribed period.

**Q. Is the death benefit taxable?**

A. Yes. The death benefit is taxable in the year received. If your surviving Spouse wishes to defer the taxation, the Commuted value may be transferred to a registered retirement savings plan. This option is not available to a Beneficiary other than your surviving Spouse.

## Credit splitting on divorce, annulment or separation

### **Q. Is my Spouse entitled to any portion of my Pension on marriage breakdown?**

A. Yes, under the Ontario provincial property law, your Spouse is entitled to a maximum of 50% of the Pension credits that you accumulated while married or in a common-law relationship. The Pension Plan administrator shall request such information as is required to calculate and pay the Pension or Pension benefit. Such information may include the sections of the court order, separation agreement or other document addressing the division of property on breakdown of your spousal relationship.

Your former Spouse may receive an immediate payment of his/her share of the Pension assets, either as a lump sum transfer or a division of monthly Pension payments. In any case, the Pension credits assigned to your Spouse continue to be subject to the lock-in provisions.

## Valuation of Pension assets

The valuation of Pension assets will be calculated by the Plan administrator, in accordance with formulas set out in Regulation 287/11 (Family Law Matters) under the Pension Benefits Act of Ontario.

You must apply directly to the Plan administrator to get the valuation of Pension assets, using the Prescribed application for Family Law Value forms.

The Plan administrator will charge a fee (\$600 plus HST) to provide the calculations.

## Subsequent Spouse

In the event you remarry, your subsequent Spouse has no entitlement to the benefits assigned to your former Spouse(s).

## Spousal waivers

Pension legislation protects the rights of your Spouse. It is important for you to realize that your Spouse or common-law partner is entitled to different types of Pension benefits at different times during your membership in the Plan. For example, although

your Spouse may agree to waive his/her entitlement to a pre-Retirement death benefit, this does not affect his/her entitlement to Pension benefits on marriage breakdown, or on your death after Retirement.

There are basically three triggering events:

1. legal separation or divorce;
2. retirement; and
3. death.

Three distinct waivers are required. On legal separation or divorce, your former Spouse is entitled to a maximum of 50% of the assets accumulated during the relationship. On Retirement, you must select a form of Pension which will provide a survivor Pension of at least 60% of the amount payable prior to your death. On death prior to Retirement, your surviving Spouse is entitled to 100 per cent of the assets in your account, less any assets which were previously assigned to a former Spouse or common-law partner.

Please contact the Plan administrator for assistance with any of these issues.

## **Remarriage**

If the Spouse of a deceased Former Member or Retired Member is receiving a Pension under the Pension Plan, he/she is still entitled to receive a Pension under the Pension Plan, despite becoming the Spouse of another person. Moreover, if the member has a new spouse after he/she retired, their pension form elected at date of retirement remains unchanged and any survivor pension under the Joint of Survivor pension form will not be paid to the new spouse. It is recommended the separation of the members and their former spouse be finalized by going through the family law valuation process outlined under the FSRA's website to settle the pension division to avoid any confusion in death benefits' entitlement.

## **Maximum Transfer Limit under the Income Tax Act**

The Income Tax Acts set limits on transfer values from the pension plan into tax-sheltered retirement vehicles. If your Commuted Value of your deferred pension is greater than the Maximum Transfer Limit, the excess amount must be paid to you as lump sum cash refund (less withholding tax).

## Restriction on entitlement

An entitlement to a benefit under this Plan is subject to any rights to or interest in the benefit set out in an order made under Part I (Family Property) of the Family Law Act, a family arbitration award or a Domestic contract.

## Assignment

**Q. Can I use my Pension benefits as collateral to borrow money? Can my Pension benefits be seized on bankruptcy?**

A. No. The law prohibits the assignment of any Pension benefits, except in the case of relationship breakdown. This provision is for your protection and is intended to ensure that you will receive a Pension when you Retire.

## Rights to information

**Q. How will I know how much Pension I have accumulated?**

A. Each year, the Plan administrator will forward to your home address a Pension statement outlining the amount of your Pension, your Retirement dates, the name of your Beneficiary, etc. It is important that the information on this statement be accurate. If this is not the case, notify the Plan administrator immediately.

**Q. Once an amendment to the Plan has been made, will I be notified?**

A. Yes, once a Plan Amendment has been registered with the FSRA, the Plan administrator has 60 days to notify you in writing.

**Q. As a new member enrolling in the Plan, what information is provided?**

A. You are entitled to receive a booklet outlining the general provisions of the Plan. You are also entitled to inspect the registered documents with the FSRA on written request.

**Q. What other sources of information am I entitled to receive?**

A. On termination, Retirement, or death, you or your surviving Spouse will receive a written statement of your entitlements and options.

Once a year, you are also entitled to inspect or copy all documents that support or relate to the Plan and its operation.

You must file a written request to the Plan administrator to review or obtain a copy of the documents. The Plan administrator is entitled to charge a reasonable fee for any copies that are provided. The documents that you may review or copy include but are not limited to:

1. Pension Plan documents and all amendments;
2. previous versions of Plan documents and amendments;
3. documents that set out the Plan sponsor's responsibilities to the Pension Plan;
4. documents appointing a Plan or Fund administrator;
5. copies of all documents required to be filed with the FSRA (i.e. annual information returns, actuarial information summaries, audited financial statements, Trust Agreement and amendments);
6. copy of Statement of Investment Policies and Procedures; and/or
7. copies of all correspondence between the Plan administrator and the FSRA staff, except for correspondence respecting individual Plan Members.

**Q. Who should you contact for more information?**

A. The Plan administrator, Ellement, should be contacted for information regarding the Pension Plan.

## Administration

**Q. Who administers the Pension Plan?**

A. The Board of Trustees of the Electrical Industry of Ottawa Pension Plan is responsible for its administration. The daily administration is handled by Ellement, a third-party administrator.

**Q. Can the Plan be changed or discontinued?**

A. The Board of Trustees can change the Pension Plan provided:

1. the change does not contravene any provisions of the applicable Collective agreements;
2. the change does not allow the use of any part of the Pension Fund other than for the exclusive use of persons who may be entitled to benefits under the Pension Plan; and

3. the change must be approved by all federal and provincial departments concerned.

If, in any year, the contributions to the Plan are insufficient to meet the cost of the Plan under the minimum solvency provisions stipulated in the Pension Benefits Act of Ontario, the provisions of the Plan will have to be amended.

If the Plan is ever discontinued, all assets of the Trust Fund shall be converted into cash. The cash shall be used as follows:

1. to provide for the continuance of the Pension payments then in effect to Former Members who have Retired, or to their surviving Spouses or Beneficiaries, whichever is applicable; and
2. to provide for the Deferred Pensions to which Former Members have become entitled; and
3. to provide for the Pension benefits, other than those referred to in 1) and 2) above, commencing at the Normal Retirement date that have accrued to Members up to the date of discontinuance. If the cash available for purposes of this clause is not sufficient or is more than sufficient to provide all of the benefits Prescribed, it shall be applied to provide the benefits *pro rata* to the amount of cash required to provide the entire benefit.

#### **Q. How is Plan financial position monitored?**

- A. The financial position of your Plan is carefully regulated by the FSRA. An actuarial valuation must be filed with the regulator every three years. To be prudent, conservative assumptions are used. This valuation verifies if the assets are sufficient to meet the Plan obligations and the funding is adequate to provide the benefits promised.

#### **Q. Can benefit improvements be made as a result of these valuations?**

- A. This depends upon the outcome of the valuation and how the FSRA judges the adequacy of assets and funding levels to meet promised benefit amounts (i.e. the degree the funded ratio is greater than one). Even when the contribution rate has been increased, benefit improvements can only be made if the Plan is deemed to be in a financial position to do so. At certain points, actual Plan results may differ negatively from the

assumptions used by the Actuary and funds may need to be used to offset such shortfalls.

## **Q. Can the Pension benefit be reduced?**

A. Yes, under specific conditions, it is possible for your Pension benefit to be reduced. The benefit is provided under a multi-employer pension plan. In addition, it is a defined benefit and the obligations of the Employers to contribute to the Pension Fund are limited to a fixed amount set out in your Collective agreement. There is no recourse funding on the Participating Employers if a funding deficiency is created. Consequently, the Plan is not protected under the Ontario Pension Benefits Guarantee Fund (PBGF) against funding shortfalls. Only single employer plans, where the company is responsible for correcting a funding deficiency, are protected under the PBGF.

If there are insufficient funds in the Pension Plan to pay all the Pension benefits on the wind-up of the Plan, the Pension benefits shall be reduced in a manner Prescribed by the Pension Benefits Act of Ontario. Also, if the latest actuarial valuation determines that the solvency liabilities of the Plan exceed the assets of the Plan and the result is a transfer ratio of less than one, the Plan would not be permitted to transfer 100% of the commuted value of your pension, or pay out 100% of your monthly pension benefit until the solvency deficiency was corrected. All solvency deficiencies must be corrected within a five-year period. Once the deficiency is corrected, the shortfalls are subsequently paid.

The Board of Trustees in adhering to good governance practices is taking all the necessary measures to protect your interest in the Pension Plan and ensure that the Plan remains solvent in all economic environments.

## **Important note**

This document contains important information concerning your Pension Plan and, therefore, should be kept in a safe place. This booklet supersedes and replaces all previously communicated material.

The purpose of this outline is to explain briefly the main features of the Plan.

This outline does not create or confer any contractual or other rights. All rights and obligations with respect to the Plan are

governed by the Trust Agreement and Plan Document of the Electrical Industry of Ottawa Pension Plan and any government regulations.

## Respecting your privacy

At Ellement, we recognize and respect every individual's right to privacy. When personal information is provided to us, we establish a confidential file that is kept in the offices of Ellement, or the offices of an organization authorized by Ellement. We use the information to administer the Pension Plan. We limit access to information in your file to Ellement staff or persons authorized by Ellement who require it to perform their duties, to persons to whom you have granted access, and to persons authorized by law.

Ellement uses your Social Insurance Number for the purposes of government reporting, identification and administration of your Pension Plan. Ellement may exchange your personal information with the following persons, organizations or parties: financial institutions; government agencies; insurance companies; Employers or former Employers; your local Union; Plan Trustees; pension advisory committee members; actuaries and auditors. Ellement may use the personal information on file to provide you with additional information regarding any benefits to which you are entitled.

You have the right to access or update any incorrect information by submitting a request in writing to:

The Privacy Officer  
Ellement Consulting Group  
1345 Taylor Avenue  
Winnipeg, MB  
R3M 3Y9

## Registration numbers

Financial Services Regulatory Authority of Ontario and Canada Revenue Agency registration number 0586396.

## Change of address

It is important to inform the Plan administrator and the IBEW Local 586 of any address change



