



CMAAW

TARGET PENSION PLAN

NEWS | SPRING 2025



CONTRIBUTION & ACCRUAL RATES

WORKING IN TANDEM

Did you know that what your employer pays into the Plan (your employer’s contribution rate) is linked to how your pension builds over time (your accrual rate)?

Your accrual rate is the hourly amount applied to each covered hour and used to calculate your pension at retirement. It is based on your employer’s contribution rate— if the negotiated contribution rate for your employer is different from the standard contribution rate, your accrual rate will be prorated up or down accordingly. And while contribution rates have gradually increased over time, they have done so to fund retirement benefits and increases to the accrual rate.

Hourly Contribution Rate	Hourly Accrual Rate
\$2.36	3.12 cents
\$4.09 (Standard Rate)	5.40 cents
\$4.34	5.73 cents
\$4.44	5.86 cents

CMAAW TARGET PENSION PLAN UPDATE

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HOW TARGET BENEFIT PLANS WORK

UNDERSTANDING THE DIFFERENCE BETWEEN PENSION PLAN TYPES

The Plan administration office often receives questions from members about their monthly pension and commuted value. This article explains how your Plan works so you can understand its value, how this plan compares with other pension plan models, and how your pension should fit into your overall retirement goals and strategy.

There are two main types of pension plans: Defined Contribution (DC) and Defined/Target Benefit (DB) plans. Yours is a Target Benefit Plan. These plan types are, in essence, investment plans in which employers (and sometimes employees, depending on the plan) pay contributions today so that the member can draw a monthly income when they leave the workforce. The difference between the two types is how benefits are paid out at retirement.

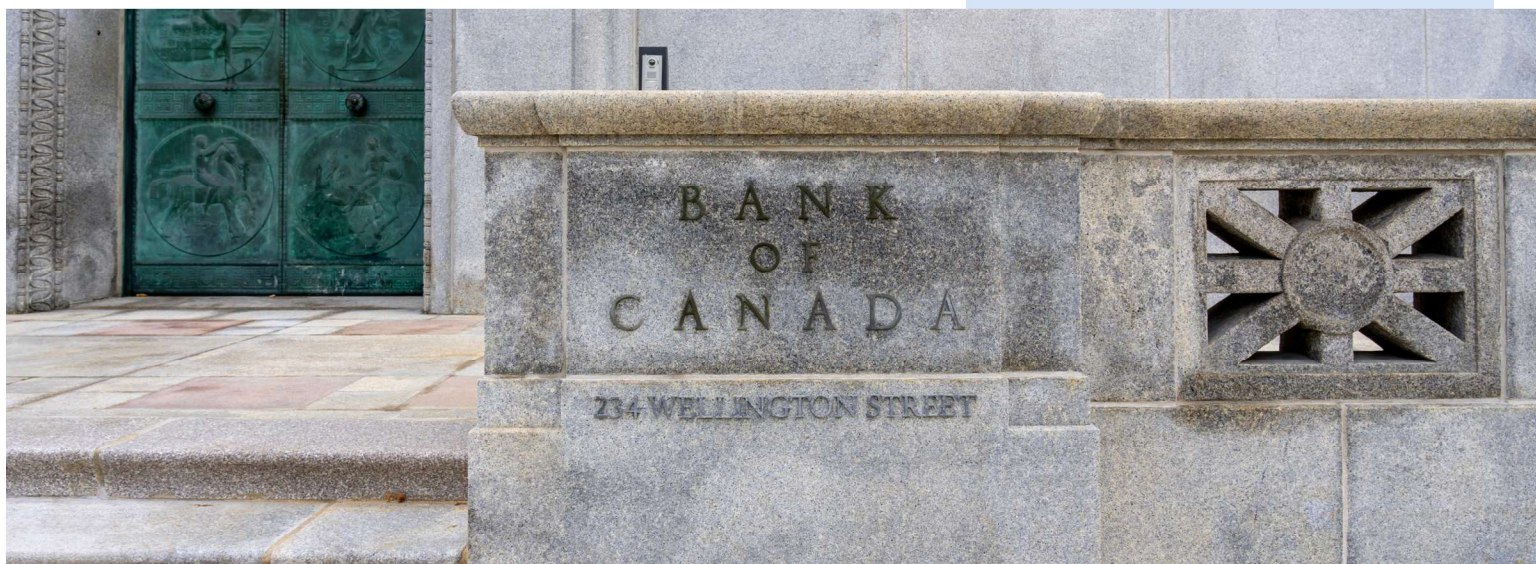
With a DC plan, your monthly benefit at retirement is calculated solely as a function of accumulated contributions and investment returns. You draw a monthly income until you run out of funds. The volatility of returns can make the ultimate payout much less predictable for a DC plan. Depending on your withdrawal rate, you may run out of money before the end of your life.

IS YOUR INFORMATION UP TO DATE?

Have you recently moved, got married or divorced? If so, please contact the Plan administrator to update your phone number, address, marital status or named beneficiary. Make sure to also review your annual statement for accuracy.

All information you provide is private and confidential; the Plan does not provide your information to any other organization.

See page 4 of this newsletter for contact details.



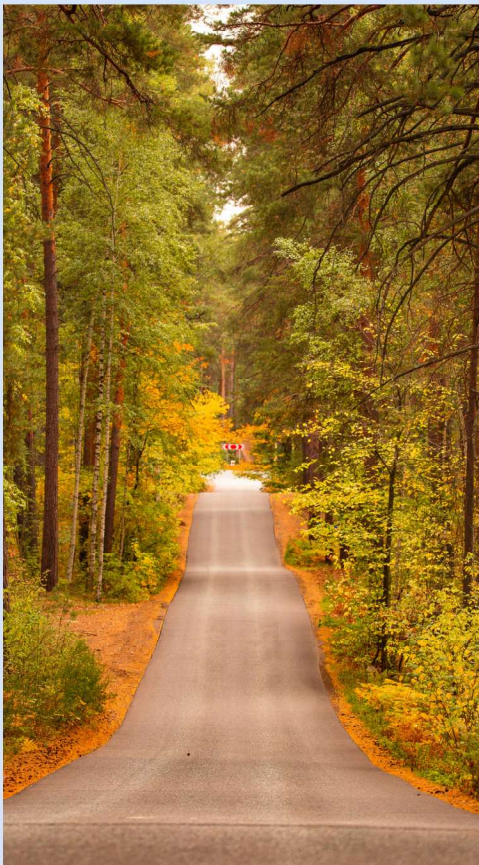
HOW TARGET BENEFIT PLANS WORK CONT.

With a DB/Target Benefit Plan, your monthly benefit at retirement is paid out according to a predetermined formula. This formula is typically based on your age at retirement, contribution rates during your working life, selected beneficiary coverage at retirement, and other factors as determined by the plan's Trustees and members. All DB/Target Benefit plans are built to provide members with a stable *lifetime* monthly income in retirement, so members don't risk outliving their savings.

Note that while your Plan is in a very healthy position today, and the Trustees manage the Plan conservatively, Target Benefit Plans are not guaranteed. Since the contributions entering the Plan are fixed, if the Plan's funded position deteriorates significantly, benefits may need to be adjusted downward.

Regardless of which plan you have, your workplace pension plan forms part of the "three-legged" stool of retirement income in Canada. The other "legs" are your government benefits like the CPP and OAS, as well as your personal savings in the form of an individual RRSP or other savings and investment accounts.

Did you know, that as a member of the CMAW Target Pension Plan, you are in the minority of working Canadians—most working Canadians (over 60%) are not covered by a registered workplace pension plan!



YOUR PLAN'S HEALTH

A STABLE PLAN AMID TURBULENT TIMES

From trade wars to military wars, news headlines today are filled with ominous sentiments and debate. CNNMoney's "Fear and Greed" index shows that markets are currently being driven by extreme fear. What does this mean for the health of your pension?

Your Plan is designed to prioritize long-term stability. The Plan Trustees and investment advisors have intentionally diversified the Plan's investments across industry, geography, and asset class, and continue to conservatively invest the assets of the Plan while delivering meaningful benefits to members. This means that while market fluctuations may influence the Plan's investments in the short-term, the Plan remains stable over the long-term.

The Plan's surplus position as of its latest valuation also means it remains well positioned to withstand market fluctuations. A stable membership and high reported hours also continue to positively contribute to the Plan's performance and stability.

MISSING MEMBERS & UNCLAIMED PENSIONS

STUDY FINDS THOUSANDS HAVE FORGOTTEN PENSIONS

A December 2024 report by the National Institute on Aging (NIA) revealed that over 200,000 Ontarians have up to \$3.6 billion in unclaimed pension funds, and thousands of other Canadians are likely missing out on unclaimed retirement money, too.

How does this happen? Many Canadians change employers throughout their careers. When they switch jobs and then move or change their name or marital status and don't notify their plan administrator of their new name or contact details, it is difficult, and sometimes impossible, for the plan administrator to find them.

Are you a "missing member" for another plan? If you suspect you have any unclaimed pension funds:

- List all past employers, including smaller or temporary jobs, and approximate dates of employment.
- Reach out to your former employers (if still active) or their HR departments for information.
- If you recall the insurance company or financial institution managing the pension, contact them directly and provide your Social Insurance Number (SIN), dates of employment, and other relevant details.
- Contact the **Canadian Association of Pension Supervisory Authorities** (CAPSA) for resources and guidance.
- Contact your provincial pension regulator (e.g., **BCFSA** in British Columbia or the **Superintendent of Pensions** in Alberta).

YOUR TRUSTEES

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*Bilsland Griffith is now **Convya Partners**, following a merger with George & Bell. Your toll-free number and service remain the same—only our mailing and email addresses have changed (see above).*

