PROGRESS

PROTECTION

SMWIA LOCAL 537

A GUIDE TO YOUR RETIREMENT PROGRAM

UPDATED AS OF APRIL 2016

UNION BENEFITS

Got a question?

Wondering how the retirement program works? Need to know when you can retire? Connect with Union Benefits for the answers you need:

By phone: 519-725-8818 OR 1-800-265-2568

By fax: 519-725-9362

By mail:
Union Benefits
151 Frobisher Dr.
Suite E220
Waterloo, ON
N2V 2C9

Online: **www.unionbenefits.ca**
Click on "I am a member" (username: m537; password: 537rewards).

For information on your defined contribution (DC) pension, group registered retirement savings plan (RRSP) or group tax-free savings account (TFSA), please contact Manulife (formerly Standard Life):

By phone: 1-800-242-1704 ext. 5020

By mail:
Standard Life
1245 Sherbrooke Street West
Montréal, QC
H3G 1G3

Online: **www.standardlife.ca**

ACT

For more information or to download forms, go to ***unionbenefits.ca****. Click on "I am a member" (username: m537; password: 537rewards).*

About this booklet

This booklet provides a summary of the SMWIA Local Union 537 Employees' Pension Plan (Registration No. 0417980) and other retirement benefits in simple terms. If you want more detail, you can ask to review the legal documents available at the office of the administrator, Union Benefits. If there are any errors in this booklet or differences between the information given here and the legal documents, the legal documents will apply. Definitions to key terms are provided on page 40.

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WELCOME TO THE PROGRAM

The world is changing, and Canadians are living longer than ever before. That means we're spending more years in retirement – and need more money to pay for that retirement. So, it's no surprise that many of us are working longer to make sure we can properly fund our post-work years.

Today, we want retirement saving programs that fit with this reality. They should help us plan for the future, and give us more control over how and when we can receive our retirement income.

Your Local 537 retirement program can help you save for a financially secure future.

Your SMWIA Local 537 retirement program is designed to do just that. For every hour that you work for any employer covered by our collective agreement, your employer must make a contribution to your defined contribution (DC) pension account. You can also choose to make contributions to a voluntary group registered retirement savings plan (RRSP) and/or a voluntary group tax-free savings account (TFSA), which allows you to set aside extra funds – and save on taxes. For most members, these contributions add up to thousands of dollars a year. In fact, it's not unusual for long-service Local 537 members to find that their retirement program is their single biggest financial asset.

Your Local 537 retirement program has two parts:

Part 1: a defined contribution (DC) pension plan, and
Part 2: voluntary accounts, including a group registered retirement savings plan (RRSP) and group tax-free savings account (TFSA).

Together, these plans can help you save for a financially secure future, and provide meaningful benefits, including:

- the opportunity for tax-efficient saving,
- a lifetime pension, and
- a range of death benefits to protect your family.

Whether you're just starting out as a member of Local 537 or you are a long-time plan member, 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.

*Manulife (formerly Standard Life) is the new recordkeeper of your plan. However, you can still access your account from the VIP Room at **standardlife.ca** or 1-800-242-1704 ext. 5020 until all records are transferred to the Manulife platform.*

Our commitment to good governance

Local 537's retirement program is governed by a five-person Board of Trustees with help from investment and legal advisors. Like you, the Trustees are members of the program. They have a keen interest in making sure that it is well-run and that it adheres to the *Guidelines for Capital Accumulation Plans* developed by the Joint Forum of Financial Market Regulators. As plan "fiduciaries," they also have a legal obligation to manage your program in the best interests of all plan members.

The Board of Trustees is responsible for:

- providing investment information and retirement planning tools to members;
- providing ongoing communication about the program to members;
- maintaining the program and the pension fund;
- filing required documents with the pension regulator;
- operating the program according to applicable pension standards legislation, the *Income Tax Act* and legal plan contracts and documents;
- delegating certain administrative tasks to third-party service providers, and monitoring their activities; and
- properly documenting all decisions regarding the program.

Union Benefits looks after the day-to-day operations of your program. This includes signing up new members, receiving contributions from employers, and answering questions. Union Benefits is a non-profit administrator owned by the plans that it serves (including ours). For more information, go to **www.unionbenefits.ca**.

Manulife is the recordkeeper for your retirement program. Manulife handles your account transactions, provides information about your investment options, and invests your contributions according to your instructions. You can access your account information online at **www.standardlife.ca**.

The pension plan is regulated by federal and provincial legislation. It is registered under the *Income Tax Act* and the *Ontario Pension Benefits Act* (Registration No. 0523944). The Trustees may change the plan at any time, in any way.

Your responsibilities under the program

As a member of the retirement program, you have certain responsibilities under the *Guidelines for Capital Accumulation Plans*. These include:

- using the information and decision-making tools available to you at **www.standardlife.ca**;
- determining whether your retirement needs and goals will be achieved;

- notifying the administrator, Union Benefits, of any errors in your personal data;
- getting help from a qualified independent financial advisor if you feel you need additional guidance; and
- reviewing and selecting your options when you leave the plan or retire, and filing all documents with Union Benefits.

A word about privacy

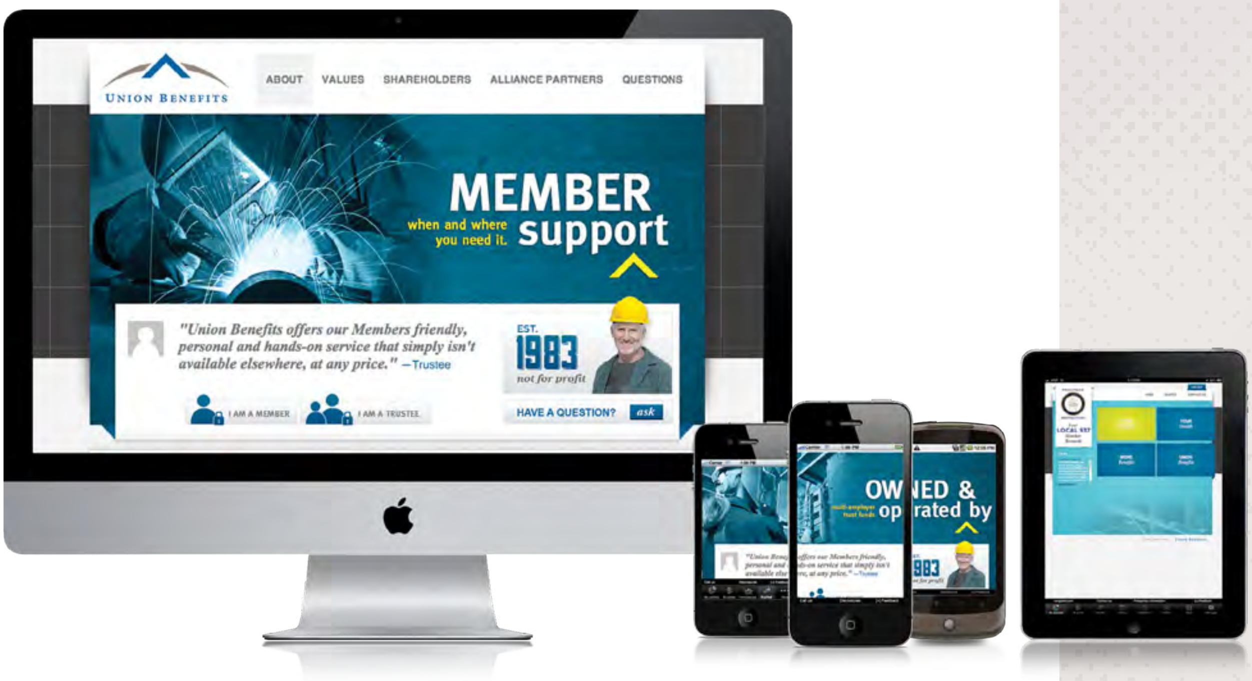
It is impossible to administer your retirement program without using personal information. However, Union Benefits is committed to protecting your privacy and has strict safeguards in place to protect your information from unauthorized access or use.

In addition, you have the right to see the information on file for you, and to update or correct it as necessary.

Union Benefits' formal Privacy Policy is available for viewing in the member section of the website at

www.unionbenefits.ca

For more information, please contact the Privacy Officer at Union Benefits.



YOUR PROGRAM AT A GLANCE

How to join the plan	You automatically join the DC pension plan at the beginning of the month in which your employer contributes for hours you work. We recommend that you complete a Manulife enrolment form with your beneficiary information and investment choices and return it to Union Benefits or the Local Union office. To open a voluntary group RRSP or TFSA, you must complete a *Manulife Registered Retirement Savings Plan Enrolment Form* and/or *Manulife Tax-Free Savings Account Enrolment Form* and return them to Union Benefits or the Local Union office.
Program contributions	Under the terms of your collective agreement, your employers are required to contribute to the DC plan for each hour that you work. Contributions are deposited into your personal account with Manulife. You decide how much, if anything, you want to contribute to the voluntary group RRSP and/or TFSA. You can make contributions online at **www.standardlife.ca**, by personal cheque, or by providing Manulife with pre-authorized chequing access.
Investing contributions	You are responsible for investing the DC contributions made on your behalf, as well as any RRSP and TFSA contributions you choose to make.
When you can start collecting a retirement income	You can retire and convert your pension account into a retirement income any time after your 55th birthday. Keep in mind that the earlier you do this, the smaller your monthly income will likely be. This is because: • you'll have less time to build up your account, and • your retirement income will be spread over a longer period. By law, you must convert your DC account to a pension no later than the end of the calendar year in which you turn age 71. You can withdraw money from your voluntary group RRSP and TFSA at any time.

Amount of your retirement income	The amount of retirement income you get from your DC pension account will depend on the size of your account when you convert it to a pension, and when you start your pension. The size of your DC account will depend on contribution rates, the number of hours you've worked, and how much investment income you have earned based on your investment choices. The size of your voluntary RRSP and TFSA will depend on the contributions you choose to make, and how much investment income you have earned based on your investment choices.
If you have a spouse	If you have a spouse when you retire, pension law requires that you choose a form of payment for your DC account that provides continuing pension income to your spouse if you die first. Your spouse may sign a waiver refusing this benefit. The voluntary group RRSP and TFSA are not subject to pension law.
If you leave before age 55	If you leave the plan, you must transfer your DC account balance to another locked-in plan. You can withdraw money from your voluntary group RRSP and TFSA at any time.
In the event of your death	If you die before you convert your DC account to a pension, the value of your account will be paid to your spouse or beneficiary. If you die after converting your account to a pension, death benefits (if any) will depend on the form of pension you choose at retirement. The value of your voluntary group RRSP and TFSA accounts will be paid to your named beneficiary (or estate). Unlike the pension plan, there are no special rules about having to name your spouse as your beneficiary.

HOW THE PIECES FIT TOGETHER

Your SMWIA Local 537 retirement program includes several pieces that combine to help complete your financial picture. This collection of savings plans fits together to create a comprehensive, flexible program.

Here’s a look at what’s available:

DC pension

- Your employer makes a contribution to your DC pension account for each hour that you work, in an amount set out by the collective agreement.
- You cannot make contributions to the DC pension plan.
- You do not pay tax on employer contributions, but they are counted against your RRSP contribution room for the following year.
- Money held in your DC pension is “locked in” until you retire and convert your account to retirement income.

Group RRSP

- You have the option to make voluntary contributions to your group RRSP.
- Your employer does not make contributions to the group RRSP on your behalf.
- Money in your RRSP – including investment income – grows tax free and helps to reduce the amount of income tax you pay each year.
- You can withdraw money anytime. However, withdrawals generally will be taxed as income, and you can’t recontribute amounts withdrawn.

Group TFSA

- You have the option to make voluntary contributions to your group TFSA.
- Your employer does not make contributions to the group TFSA on your behalf.
- Contributions are not tax-deductible. However, any money in your TFSA – including investment income – grows tax free.
- You can withdraw money from your TFSA at any time. Any money you withdraw from your TFSA – including investment income – will not be taxed as income. Any amounts withdrawn will be added to your contribution room in the following calendar year.

ACT

It's up to you to decide how to invest the money in your DC pension and voluntary group RRSP and TFSA accounts. See page 11 for information on the wide variety of low-fee investment options available to you through Manulife.

Key differences between your DC pension account, RRSP and TFSA

	DC pension account	RRSP	TFSA
How it works	For each hour that you work, your employer makes a contribution to your DC pension account. You decide how your money is invested. You are not required (or permitted) to contribute to this account.	You can make voluntary contributions to your group RRSP and decide how your money is invested. Your employer does not contribute to the group RRSP.	You can make voluntary contributions to your group TFSA up to the CRA limit each year, and decide how your money is invested. Your employer does not contribute to the group TFSA.
Taxation differences	Contributions made by your employer are not included in your taxable income. Your account, including investment earnings, remains tax free until it is used to provide a retirement income.	Contributions are tax deductible (up to the limits set by the Canada Revenue Agency), which helps to reduce the amount of income tax you pay each year. These contributions and investment earnings are tax sheltered as long as the money remains in the plan.	Contributions are not tax deductible, but the investment earnings grow tax free.
Locking-in differences	The money in your account can only be used to provide a retirement income and cannot be withdrawn until you leave the plan or retire. When you leave or retire, you can use your account to buy an annuity from an insurance company, or transfer it to another locked-in account.	You can withdraw your money at any time (and pay tax), or transfer it tax free to any other registered account of your choice.	You can withdraw your money tax free at any time, or transfer it to a personal tax-free savings account of your choice.

HOW THE PROGRAM WORKS

Pension plans can be a little complex at first glance. They use strange terms, complex formulas, and government-set rules and restrictions. But when you strip them down, pension plans are actually fairly easy to understand. Apart from a few differences here and there, all pension plans work in pretty much the same way.

1. Your employer contributes to the DC pension plan for each hour that you work. These contributions are deposited into an account set up in your name with Manulife, the program's recordkeeper.
2. The contributions are invested based on the options you choose.
3. At retirement, the contributions and any investment income in your account are used to provide you with a retirement income (a pension).

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

Joining the program

You join the DC pension plan at the beginning of the month in which your employer pays a pension contribution on your behalf. Your plan membership is automatic. However, we recommend that you complete a Union Benefits Member Card and a Manulife (formerly Standard Life) DC enrolment form to name your beneficiary(ies) and choose your investments. Please return the Member Card and completed enrolment form to Union Benefits or the Local Union office.

If you would like to open a voluntary group RRSP and TFSA, see page 24 for details.

If you pay union dues but do not work for an employer who makes contributions on your behalf, you will not be eligible to join the Local 537 retirement program.

ACT

Please complete a Member Card and return it to Union Benefits or the Local Union office as soon as possible.

You don't pay tax on employer contributions, but they are counted against your RRSP contribution room for the following year.

Rejoining the program

If you leave the program and withdraw your benefits, you can rejoin on the first of the month in which employer contributions are again paid on your behalf.

Contributions

For each hour that you work, your employer is required to make a contribution to your DC pension account on your behalf (see part 1 of this booklet for more). The exact amount of the contribution is set out in the collective agreement. You can make voluntary contributions to the group RRSP and TFSA (see part 2 for more).

Manulife (formerly Standard Life) is the new recordkeeper of your plan. However, you can access your account from the VIP Room at www.standardlife.ca or by calling 1-800-242-1704 ext. 5020 until all records are transferred to the Manulife platform.

Investing your contributions

You have access to a range of investment options for the contributions in your DC and voluntary accounts, including Canadian and international equity (stock) funds, bond and money market funds, and guaranteed interest certificates. The plans also come equipped with a range of pre-selected investment portfolios, called "Avenue Portfolios." All you have to do is choose the portfolio that suits you best based on your age and risk tolerance.

See **Your investment options** on the next page.

Keeping track of your accounts

In addition to the contribution statement you receive each year from Union Benefits, you will receive quarterly statements from Manulife showing the balance in your DC account and (if applicable) voluntary accounts. Please check your statements carefully to ensure that the personal information that Union Benefits and Manulife have on file for you is accurate and complete. And be sure to notify Union Benefits and Manulife if you move – so that you continue to receive your statements.

Your investment options

You can invest your Local 537 DC pension, RRSP and TFSA contributions in any or all of a select group of professionally-managed funds available through Manulife.

The investment funds available to you through Manulife are chosen and monitored by the Trustees with the help of a professional investment consultant. These investments are generally only available to large group investors like pensions trusts.

Because of the volume purchasing power Union Benefits has with Manulife, you pay lower investment management fees on these funds than you would pay for similar funds on your own as an individual investor.

Your current investment options for your Local 537 DC, RRSP and TFSA contributions include:

1. **A balanced fund** – invests in a combination of common stocks, bonds and short-term investment vehicles.
2. **Bond funds** – invest in fixed income and other debt instruments such as government, corporate and municipal bonds.
3. **Canadian equity (stock) funds** – invest in Canadian securities and stocks, usually common stocks.
4. **Global equity (stock) funds** – invest in securities and stocks anywhere in the world, including Canada and the U.S.
5. **International equity (stock) funds** – invest in securities and stocks anywhere in the world, except Canada and the U.S.
6. **U.S. equity (stock) funds** – invest in U.S. securities and stocks, usually common stock.
7. **Guaranteed interest certificates** – provide guaranteed returns for terms of one to five years.
8. **A money market fund** – invests in short-term debt obligations (debt that matures in less than one year) such as treasury bills and certificates of deposit.
9. **A real estate fund** – invests in a mix of office, retail, industrial and residential properties from across Canada.

You also have a range of pre-selected investment portfolios to choose from. All you have to do is choose the one that suits you best based on your age and risk tolerance.

ACT

Be sure to notify Union Benefits and Manulife when you move so your statements are mailed to the correct address.

If you don't choose your investments, your contributions will automatically be invested in a pre-selected conservative investment mix, based on your age.

Although Standard Life is now Manulife, you can still visit the VIP Room at **www.standardlife.ca** for more information about the investment options available to you. You will need to know your user ID and PIN.

Once you log in, you'll be able to:

- view your holdings and check your rate of return,
- complete transactions, such as changing your investment choices, and
- plan your financial future using Manulife's online retirement calculator and other investment tools.

It's important to choose the investments that work best for you. If you don't, your contributions will be automatically invested in a conservative pre-selected investment mix, based on your age – which may not be the best option for your situation and needs.

Don't know your PIN?

Just pick up the phone and call 1-800-242-1704 ext. 5020. A Manulife (formerly Standard Life) customer service representative will give you your user ID and PIN over the phone—or email them to you if you prefer.

WHEN YOU CAN WITHDRAW MONEY FROM THE PROGRAM

DC pension account

When you retire

When you retire, your DC account balance must be withdrawn from the Local 537 plan and transferred to another account that provides a retirement income. See pages 17 to 21 for details.

Choosing when to retire is an important decision – one that can have a major impact on the amount of your retirement income. Here are some things to consider:

- **You can start receiving a retirement income any time after your 55th birthday.**
- **The earlier you start collecting a retirement income, the smaller your monthly payments will likely be.** This is because:
  - you'll have less time to build up contributions and investment earnings, so your account will be smaller; and
  - you'll start receiving retirement income earlier, so your savings will likely have to stretch further.
- **You can also choose to stop working and delay collecting a retirement income.** This will usually result in a larger monthly benefit, because:
  - your investments will have had more time to grow; and
  - you'll start your retirement later, so your savings won't have to stretch as far.
- **If you delay your retirement and continue working past age 65**, your account will continue to grow and your retirement income will likely be bigger, because:
  - you'll continue to receive contributions and investment earnings; and
  - you'll start receiving retirement income later, so your savings won't have to stretch as far.

By law, the latest you can convert your DC account to a pension is the end of the calendar year in which you turn age 71.

*If you wish to make a withdrawal from your group RRSP or voluntary TFSA, contact Manulife at 1-800-242-1704 ext. 5020 or online at **standardlife.ca**.*

Working after retirement

If you retire, transfer your DC account out of the plan and later return to work as a Local 537 member, you will automatically rejoin the plan and receive employer contributions just like any other active member.

If you retire again, you have the full right to your account balance and can use it to increase your retirement income. But, if you go back to work a second time, you will not qualify for any future employer contributions. Any contributions you earn will be paid directly into the Local 537 plan's trust fund for the benefit of all plan members.

Leaving the plan before retirement

You may withdraw the money from your DC account before retirement if:

- you are under age 55;
- no contributions are received on your behalf for the previous 12 straight months OR you have stopped being a member of the Local Union before leaving the plan; and
- you notify Union Benefits of your intent to leave the plan.

See page 18 for more information.

Voluntary RRSP

You can withdraw money from your RRSP at any time. However, withdrawals will be taxed as income, unless they are made as part of the Home Buyers' Plan or Lifelong Learning Plan. You can also transfer the money in your Local 537 group RRSP tax free to another registered account of your choice.

Under current tax law, you must withdraw, convert or transfer your RRSP by the end of the year in which you turn age 71.

See page 26 for details.

Voluntary TFSA

You can withdraw money from your TFSA at any time. Any amounts that you withdraw in a calendar year will be added to your contribution room for the following calendar year.

Unlike a pension plan or RRSP, you are not required to withdraw, transfer or convert money in your TFSA at age 71. You can continue to keep your money in your TFSA – and contribute to it – for as long as you like.

See page 26 for details.

PART 1

YOUR DEFINED CONTRIBUTION (DC) PENSION PLAN

DC PLAN DETAILS

Contributions

For each hour that you work, your employer is required to contribute to your defined contribution (DC) account on your behalf. The exact amount of the DC contribution is set out in the collective agreement. You are not allowed to make additional contributions to your DC account.

*Manulife (formerly Standard Life) is the new recordkeeper of your DC account. However, you can still access your account from the VIP Room at **standardlife.ca** or 1-800-242-1704 ext. 5020 until all records are transferred to the Manulife platform.*

At the end of each month, each employer for whom you have worked reports your hours and sends a contribution to Union Benefits. These DC contributions are deposited in your personal DC pension account with Manulife and invested in your choice of investment options (see page 11). At retirement, the money in your account may be used to buy a monthly retirement income (an annuity from an insurance company) or transferred to a locked-in retirement account (LIRA) or life income fund (LIF).

Keep in mind that 3% of the contributions received by the plan are used to pay the DC plan's operating expenses. This means, for every $100 of contributions received, $3 will be held in the trust fund to pay the DC plan's operating expenses, and $97 will be credited to your DC pension account.

Investing your DC contributions

The DC plan gives you access to a range of investment options, including Canadian and international equity (stock) funds, bond and money market funds, and guaranteed interest certificates. The plan also comes equipped with a range of pre-selected investment portfolios, called "Avenue Portfolios." All you have to do is choose the portfolio that suits you best based on your age and risk tolerance.

If you don't choose your investment options, your contributions will automatically be invested in a conservative pre-selected investment mix based on your age. For more information about your investment choices, see page 11, or go directly to the VIP Room at **www.standardlife.ca**. You will need to know your user ID and PIN. If you don't know your log-in information, simply pick up the phone and call 1-800-242-1704, ext. 5020. A Manulife customer service representative will give you your user ID and reset your PIN over the phone – or email them to you if you prefer.

YOUR DC OPTIONS AT RETIREMENT

When you retire from Local 537, you will have the following options for your DC account:

1. Transfer your account balance from the plan and convert it to a retirement income. The funds are locked-in and must be:
   - transferred to a locked-in retirement account (LIRA) or life income fund (LIF) at Manulife or another financial institution; or
   - used to buy a lifetime annuity from a Canadian insurance company of your choice, with payments that start immediately ("immediate annuity") or sometime in the future ("deferred annuity").
2. Take it in cash, provided your account is considered "small" under provincial pension law (less than $183 per month in 2016). Tax will be deducted from the payment.

You should be aware that the Trustees and Union Benefits do not administer your DC account once it is withdrawn from the Local 537 plan – even if you transfer the money to another Manulife product.

We highly recommend that you get advice from a qualified, independent financial advisor when choosing which of these options is best for you. If you are looking for an advisor, Advocis, The Financial Advisors Association of Canada, is a good place to start (**www.advocis.ca**).

As a member of the DC pension plan, you have a variety of options to convert your accounts to a retirement income.

When it's time to retire and withdraw your accounts from the Local 537 plans, you can keep your retirement funds with Manulife by transferring to their "Advantage Program." The program includes a Group Life Income Fund (LIF) and Group Registered Retirement Income Fund (RRIF) customized for Local 537 members – with special group pricing. It also offers a broad range of investment choices, including ones you already have in your Local 537 plans, so transfers are easy. A wide variety of annuity options is also available from Manulife. Contact Manulife at 1-800-242-1704 ext. 5020 to discuss your options.

Of course, similar products are available through other financial institutions and prices can vary. For this reason, it pays to do your homework and shop around to compare your options.

The Trustees and Union Benefits do not administer your DC account once it is withdrawn from the Local 537 plan – even if you transfer the money to another Manulife product.

DC options when you leave the plan or retire

Transfer option	Description
Locked-in retirement account (LIRA)	You can transfer all or part of your locked-in funds, tax free, to a LIRA if: • you haven't reached age 55, or you aren't ready to receive a retirement income, and • you want to maintain control over your investments, so the money keeps growing and collecting tax-free investment income until you retire. The money held in a LIRA cannot be cashed out. When you are ready to collect a retirement income, you can transfer the money from your LIRA to a life income fund (LIF) or use the money to buy an annuity.
Life income fund (LIF)	When you are ready to collect a retirement income (or no later than the end of the calendar year in which you reach age 71), you may transfer some or all of the money from your LIRA to a LIF. Or, if you retire directly from the Local 537 plan, you can transfer all or part of your account balance directly to a LIF. You cannot contribute any additional money to a LIF. But, you have control over how your funds are invested and the timing of your withdrawals. In Ontario, you must start taking withdrawals from your LIF by the end of the year following the year the LIF is established, but no earlier than age 55. Annual minimum and maximum withdrawals apply. *Unlocking your locked-in funds* Under current Ontario pension law, if you transfer your funds to a LIF, you may apply to your financial institution within the first 60 days to "unlock" and withdraw up to 50% of your funds in taxable cash, or transfer the amount to a registered retirement savings plan (RRSP) or registered retirement income fund (RRIF). If you don't apply within the first 60 days of the transfer to the LIF, there will be no other opportunity to unlock these funds.
A new employer's locked-in plan	You can transfer your account balance to your new employer's plan if it accepts transfers.
Annuity	At any time after you leave the plan or retire, you can use all or part of your DC account balance to buy an annuity – a guaranteed steady stream of retirement income paid to you for life. There are many different kinds of annuities, so remember to shop around to compare features and prices.

Buying an annuity (lifetime pension)

An annuity is a contract with a financial institution. When you buy an annuity, you exchange a sum of money for a set monthly income paid for your lifetime – in other words, a pension.

You can buy a life annuity from almost any Canadian life insurance company – and it pays to shop around. Here are some things you should know:

1. You cannot change your annuity payment option once you begin receiving your pension, even if your personal family situation changes.
2. Whatever type of annuity you buy, your pension will always be paid for at least as long as you live.
3. If you like, you can add a guarantee period that will ensure a certain number of monthly payments, even if you die before the end of that guarantee period.
4. The amount of monthly pension you receive from the annuity will depend on:
   - your age when you buy the annuity;
   - interest rates in effect at the time you buy the annuity (this is because annuities cost more when interest rates are low);
   - how much money you have in your DC pension account when you buy the annuity; and
   - the type of annuity you select.
5. **If you have a spouse**, Ontario pension law states that you must buy an annuity that provides a continuing pension to your spouse in the event of your death. This continuing pension must be at least 60% of your pension, but you can – at the time you buy your annuity – increase this percentage up to 100%, if you wish. You can also include a guarantee period. If, for example, you choose a lifetime pension with 60% continuing to your spouse and a 10-year guarantee period, and die shortly after you retire, your spouse will receive 100% of your pension for the remainder of that 10-year period, followed by a 60% pension paid for the rest of your spouse's life.

   If your spouse doesn't need this pension, he or she can refuse it by signing and submitting a legal waiver. You can then choose any other type of annuity, or you can transfer the value of your account to a life income fund.
6. **If you don't have a spouse or your spouse signs a waiver**, you can choose to have your annuity paid for your lifetime only (with no death benefit), or you can include a guarantee period. If you die during the guarantee period, your monthly annuity payments will continue to your chosen beneficiary(ies) for the remaining guarantee period.

Ontario pension law states that you must buy an annuity that provides a continuing pension of at least 60% to your spouse in the event of your death – unless your spouse signs a waiver.

Who qualifies as your spouse

Under Ontario pension law, your "spouse" is the person who is living with you and is:

a) married to you when you retire or die; or

b) not married to you, but has been living with you:

- in a conjugal relationship continuously for at least three years; or
- in a relationship of some permanence if you are the parents of your own or an adopted child as defined in the Family Law Act, 1986 (Ontario).

Keep in mind:

- By law, your spouse is automatically your beneficiary for your DC account (unless he or she signs a legal waiver). For this reason, it's important for you to notify Union Benefits if you get married or live with a partner who qualifies as your spouse.
- If you have an ex-spouse when you retire, you must provide Union Benefits with a copy of the divorce settlement or separation agreement.
- After your pension begins, any new spouse will not qualify for a survivor's pension after your death (although he or she may be named as your beneficiary for any remaining guaranteed payments).
- You can only have one spouse at a time who qualifies for benefits.

Comparing annuity options

The following table lists examples of some annuity options you may buy, and sample monthly payouts. This example assumes you are age 65, your spouse is age 62, and your DC account balance is $100,000 when you buy an annuity.

This is an example for illustration purposes only. The actual monthly pension amounts available to you will depend on your age, your spouse's age and interest rates in effect when you buy your annuity. Contact any insurance company or use the retirement calculator at **www.standardlife.ca** to get a more accurate personal estimate.

Option	Description	Your monthly payment
Lifetime pension	• Pension is paid for your life. • No death benefit.	$674
Lifetime pension with a 10-year guarantee period	• Pension is paid for your life. • If you die before 120 monthly payments have been made, your beneficiary or estate will receive 100% of your pension for the remainder of the guarantee period.	$647
Lifetime pension with 60% continuing to spouse	• Pension is paid for your life. • 60% continued payment to your spouse each month for his/her lifetime after your death.	$582
Lifetime pension with 60% continuing to spouse, and a 10-year guarantee period	• Pension is paid for your life. • 60% continued payment to your spouse each month for his/her lifetime after your death. • If you die before 120 payments have been made, your spouse will receive 100% of your pension for the remainder of the guarantee period, followed by a 60% lifetime pension. • If both you and your spouse die before 120 payments have been made, a beneficiary or estate will receive 100% of your pension for the remainder of the guarantee period.	$573
Lifetime pension with 100% continuing to spouse	• Pension is paid for your life. • 100% continued payment to your spouse each month for his/her lifetime after your death.	$534

YOUR DC OPTIONS IF YOU STOP WORKING BEFORE RETIREMENT

If you qualify to leave the plan before retirement (see page 14) and wish to transfer your account, please contact Union Benefits.

If you leave the trade before retirement and qualify to leave the plan (see page 14), you can:

1. Transfer your account balance from the plan. The locked-in funds from your account must be transferred to:
   - your new employer's locked-in pension plan, if that plan accepts transfers;
   - a locked-in retirement account (LIRA – also known as a locked-in RRSP) at Manulife or another financial institution;
   - an insurance company to buy an annuity; or
   - any other locked-in arrangements available in your province of employment.
2. Keep your account balance in the plan. No further contributions will be made, but your investments will continue to grow until you transfer the money out of the plan (no later than the end of the calendar year in which you reach age 71).
3. Take it in cash, provided your account is considered "small" under provincial pension law (less than $183 per month in 2016). Tax will be deducted from the payment.

PART 2
YOUR VOLUNTARY ACCOUNTS

GROUP RRSP AND TFSA DETAILS

The group RRSP and TFSA offer several tax advantages over a personal savings account.

As a member of Local 537, you have the option of making voluntary contributions to a group registered retirement savings plan (RRSP) and/or a group tax-free savings account (TFSA) through Manulife. These accounts are not part of the pension plan, but are provided to allow you to set aside extra savings – and save on taxes. All contributions are made by you; your employers do not contribute any money to these accounts. You decide how much you want to contribute – up to certain limits (see **Contribution limits** on the next page) – and how to invest these contributions.

The group RRSP and TFSA are similar to a personal savings account you may hold at a bank, for example, but offer several tax advantages over a personal savings account. See **Tax and your voluntary accounts** on page 26 for more information.

You can make contributions through the Manulife (formerly Standard Life) online contribution tool at **www.standardlife.ca**, by personal cheque, or by providing Manulife with pre-authorized chequing access. You can also transfer funds into the group RRSP from your personal RRSP.

One of the key advantages of your Local 537 voluntary group accounts is that they give you access to the same investment options that you have for your DC account (see page 11). These investment options often aren't available to individual investors. Also, because of Union Benefits' group purchasing power, you pay lower investment management fees on these group accounts than you normally would for an individual account.

Under current tax law, you must convert, transfer or withdraw the funds in your RRSP by the end of the year in which you reach age 71. Unlike the RRSP, the TFSA allows you to continue to save after age 71.

Contribution limits

The Canada Revenue Agency (CRA) places limits on how much you can contribute to your RRSP and TFSA each year. For the most up-to-date limits, go to **www.cra-arc.gc.ca**, and enter "RRSP and TFSA limits" in the search bar.

RRSP

Here's how the RRSP limit is calculated:

18% of your previous year's earnings (to the maximum shown below)	+	Any unused RRSP contribution room from previous years	–	**Your pension adjustment (PA)** Your PA is equal to the total DC annual contributions made on your behalf. This is shown on the T4 slip you receive from your employer each year.

Maximum RRSP contribution limits	
2016	$25,370
2017	Indexed to inflation

Contributions made in the first 60 days of the year can be applied against either the current or previous year's income taxes. Your RRSP contribution limit for the current year appears at the bottom of your CRA notice of assessment from last year. You can also call the tax information phone service (T.I.P.S.) at 1-800-267-6999.

It's up to you to keep track of your RRSP contributions to avoid over-contributing. Tax law allows a lifetime over-contribution of $2,000. Contributions above this limit carry a 1% per month penalty until the excess is withdrawn.

TFSA

You can contribute to the voluntary tax-free savings account (TFSA) each year, up to the Canada Revenue Agency limit ($10,000 in 2015; $5,500 in 2016). If you don't make a full contribution in a given year, you can apply this amount to your contributions in the future. Any contributions you make above your limit (including amounts carried forward) are subject to a penalty tax of 1% per month until the excess is withdrawn.

You can have multiple RRSP and/or TFSA accounts – but your combined contributions to these accounts cannot exceed the annual limits.

Withdrawals

RRSP

You can withdraw money from your RRSP at any time. However, withdrawals will be taxed as income, unless they are withdrawn under the Home Buyers' Plan or Lifelong Learning Plan. You can also transfer the money in your Local 537 group RRSP tax free to another registered account of your choice.

Under current tax law, you must withdraw, convert or transfer your RRSP by the end of the year in which you turn age 71.

TFSA

If you wish to make a withdrawal from your RRSP or TFSA, contact Manulife at 1-800-242-1704 ext. 5020 or online at ***standardlife.ca.***

You can withdraw money from your TFSA at any time. Any amounts that you withdraw in a calendar year will be added to your contribution room for the following calendar year. You can also transfer the money from your Local 537 group TFSA tax free to another TFSA of your choice.

Unlike a pension plan or RRSP, you are not required to withdraw, transfer or convert money in your TFSA at age 71. You can continue to keep your money in your TFSA – and contribute to it – for as long as you like.

Tax and your voluntary accounts

RRSP

RRSP contributions are tax deductible, which helps to reduce the amount of income tax you pay each year. Contributions and investment earnings in your RRSP grow tax free until you withdraw the money.

TFSA

Unlike RRSP contributions, your contributions to a TFSA are not tax deductible. However, you don't pay any tax on any investment income you earn in your TFSA – and you won't pay taxes (including taxes on capital gains) when you withdraw money from your account.

The TFSA does not offer you the immediate tax relief provided by an RRSP. But, it does give you an opportunity to build additional tax-sheltered savings.

LIFE EVENTS AND GOVERNMENT PROGRAMS

LIFE EVENTS

If you're like most people, you probably don't give your Local 537 retirement benefits a lot of thought – until something happens that makes you consider your financial future. This section is a guide to what happens to these benefits when your personal circumstances change.

Death

Naming a beneficiary

Your beneficiary is the person you name to receive any Local 537 retirement program benefits after you die.

In the case of your DC pension account, your spouse is automatically your beneficiary by law. If you don't have a spouse or your spouse has signed a form to waive the right to your DC plan benefits, you can name anyone you wish as your beneficiary. Forms are available from Union Benefits.

You can name anyone as your beneficiary for your voluntary accounts when you complete the Manulife enrolment forms. You may change your RRSP and/or TFSA beneficiary at any time by completing a *Miscellaneous changes* form.

Naming a child as a beneficiary

If your spouse has signed a waiver giving up his or her rights to your DC plan benefits, or you don't have a spouse, you can name a child as your DC plan beneficiary. You can name anyone, including a child, as your beneficiary for your voluntary accounts. If you do this, you should appoint a trustee or guardian to look after your benefits until the child reaches age 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 no guardian is appointed, current Ontario law states that any amount above $10,000 must be paid to the Accountant of the Superior Court, who will hold the money until the child reaches age 18. At that point, the child can withdraw the funds by filing an affidavit proving his or her age; however, an administration fee will be charged.

Survivor benefit options

DC pension

If you die before your pension begins, your DC account balance will be paid to your spouse. He or she has the following options:

- Transfer the money from the plan tax free to an RRSP, or to an insurance company to buy an annuity (a lifetime pension income); or
- Take the money as a taxable cash payment.

If you don't have a spouse, or your spouse has signed a waiver giving up the rights to survivor benefits, this money will be paid to your beneficiary or estate as a taxable cash payment.

Voluntary RRSP and TFSA

The balance of your voluntary RRSP and TFSA accounts will be paid to your named beneficiary (or estate).

If you name your spouse as beneficiary of your RRSP or TFSA, he or she has the following options.

For RRSP:

- Withdraw the funds as a taxable lump-sum cash payment;
- Transfer the money tax free to an insurance company to buy an annuity; or
- Transfer the money to another RRSP or RRIF.

If your group RRSP beneficiary is someone other than a spouse, the money will be paid as a taxable lump sum.

For TFSA:

- Transfer the money to a personal TFSA on a tax-free basis (the transfer will not affect your spouse's TFSA contribution room); or
- Withdraw the money on a tax-free basis.

If your TFSA beneficiary is someone other than a spouse, then:

- the balance of your TFSA as of the date of your death will be paid to your beneficiary on a tax-free basis; and
- any investment income earned by the TFSA *after* you die will be paid to your beneficiary as taxable cash.

Disability

You will continue to be a member of the Local 537 DC pension plan if you are disabled and receiving disability benefits from the Workplace Safety and Insurance Board (WSIB). Employer contributions are required to continue for up to 12 months if you are receiving WSIB benefits. These contributions are based on 144 hours per month. You can choose whether or not to contribute to your voluntary accounts during your disability.

For information about the separation process and how it relates to your retirement benefits, please consult your lawyer.

Divorce or separation

Your DC pension plan benefits are considered a family asset. This means that if you and your spouse separate or divorce, the plan benefits you earned while married or living as a common-law couple may have to be divided. You should contact Union Benefits as soon as possible for the required "marriage breakdown" forms. Please do not wait until you retire; this can delay the start of your pension. Once the completed forms are returned to Union Benefits, you will receive a statement within 60 days showing the value of your pension that could be divided.

You will be charged a fee of $200 for this calculation. The actual amount your former spouse receives from the plan will depend on your separation or divorce agreement, or court order.

Updates to your marital status must be made in writing and include a certified copy of any agreement or court order to provide the Local Union office and Union Benefits with the legal authority to make the change to your records. You should also update your beneficiary information.

Your voluntary accounts may be considered family assets, but are not governed by pension law.

We recommend that you consult with a lawyer about the separation process and how it affects your Local 537 retirement benefits.

Financial hardship

If you're in a serious financial crunch, you may qualify for a financial hardship withdrawal from your DC pension plan, but you must first leave the plan (see next page). Please go to the Financial Services Commission of Ontario (FSCO) website at **www.fsco.gov.on.ca** for more information.

Leaving the program before retirement

If you meet the qualifications to leave the Local 537 DC plan before you are eligible to retire (see page 14) and wish to transfer your account balance out of the plan, please contact Union Benefits.

Please note that you cannot actually take this money in cash. By law, it is "locked in" and must be used to provide you with a retirement income. Please see page 18 for your transfer options.

You can withdraw the money in your voluntary accounts whenever you wish by contacting Manulife at 1-800-242-1704 ext. 5020 or **www.standardlife.ca**.

Marriage or a new partner

Because your spouse has certain rights under the DC pension plan, it is very important that you keep Union Benefits informed of any changes in your marital status. Your voluntary accounts are not governed by pension law.

Maternity or parental leave

Employer contributions to the DC pension plan will continue for up to 12 months while you are away on maternity or parental leave, as defined under the *Employment Standards Act of Ontario*. These contributions are based on 144 hours per month. The total of all of your periods of maternity and parental leave is limited to three years.

You can choose whether or not to contribute to your voluntary accounts during your maternity/parental leave.

Moving

If you leave Ontario to live in another province or country, your pension benefits under this plan are still governed by Ontario pension law. Regardless of where you move, please make sure to send your new address to Union Benefits.

Retiring

Once you decide to retire, please follow the steps outlined below to apply for your Local 537 retirement program benefits.

Applying for your DC account

To transfer your DC account balance, follow these steps:

1. Contact Union Benefits or the Local Union office informing them that you would like to retire. You must provide them with the date of your last contribution and the date you wish to retire.
2. Union Benefits will send a notice of retirement to Manulife. Manulife will then send you a package outlining the options available to you, including transferring your DC account to a locked-in retirement account (LIRA), a life income fund (LIF), or an annuity. **You do not have to stay with Manulife. You can either choose one of the Manulife options, or transfer your DC account out of the plan and buy a LIRA, LIF, or an annuity on your own from another Canadian financial institution.**
3. Complete and sign the form (include a spouse's waiver, if applicable), and return it to Manulife. Before you sign the form, make sure that you fully understand your options. Even if you have never used a financial advisor before, we recommend that you find one to help guide you through the decision-making process.

Applying for your voluntary RRSP account

Remember, you can withdraw money from your RRSP at any time. When you retire, you may:

- convert some or all of your RRSP savings to a registered retirement income fund (RRIF) with Manulife or any other financial institution. A RRIF is similar to an RRSP, but you cannot make any additional contributions and you must make a minimum withdrawal each year;
- transfer some or all of your RRSP savings to an insurance company to buy an annuity; or
- leave the money in your account.

Under current tax law, you must convert, transfer or withdraw the funds in your RRSP by the end of the year in which you reach age 71.

ACT

You should apply for your Local 537 pension benefits at least two months before you plan to retire.

Before you sign any forms, be sure you understand your options.

Applying for your voluntary TFSA

Like the group RRSP account, you can withdraw money from your TFSA at any time. When you retire, you may:

- transfer the money from your group TFSA to an individual TFSA with Manulife or any other financial institution;
- receive your TFSA in tax-free cash;
- leave the money in your account.

Terminal illness

If you are terminally ill, you may apply to withdraw your DC pension account. To do this, you must get a written statement from your doctor confirming that you have less than two years to live. If you have a spouse, you must get written consent (signed within 60 days before you submit your application). The withdrawal is taxable and must be approved by the Trustees.

You can withdraw the money in your RRSP or TFSA at any time. RRSP withdrawals are taxable; TFSA withdrawals are not.

Please contact Manulife directly at 1-800-242-1704 ext. 5020 to discuss your RRSP and TFSA account options at retirement.

Transfer of contributions from another local

If you are temporarily working outside the Local 537 jurisdiction and that local has an agreement in place with Local 537, any pension contributions you earn in the other local will be applied directly to your Local 537 DC pension account.

GOVERNMENT PROGRAMS

Your Local 537 pension plan and voluntary accounts make up an important part of your income in retirement. You may also be eligible for monthly payments from as many as three programs offered by the Canadian government. These are valuable sources of retirement income. But tens of thousands of Canadian seniors aren't collecting their government benefits because they never apply for them. Here's a look at what's available to you and how to get it.

CPP and OAS provide additional sources of retirement income.

Canada Pension Plan (CPP)

Most working Canadians over the age of 18 contribute to CPP through payroll deductions. You can start collecting your CPP benefits anytime between ages 60 and 70. If you start before age 65, however, your payments will be permanently reduced by 7.2% per year. *For example, if you want to start CPP at age 60, your benefits will be reduced by 36% (7.2% x 5 years)*. While it may make sense for you to start collecting CPP early due to health or financial circumstances, you should keep this reduction in mind when deciding when to apply.

You can also delay collecting CPP until age 70. In this case, your CPP payments will increase by 8.4% for each year that you delay your benefits after age 65.

The amount of CPP pension you receive depends on how much you contribute, and for how long. In 2016, the maximum monthly CPP you can collect starting at age 65 is about $1,093. This amount increases with inflation each year.

Old Age Security (OAS)

OAS provides a basic pension available to almost every senior in Canada. If you were at least 25 years old on July 1, 1977, you need 10 years of Canadian residency to qualify. Otherwise, you need 40 years of residency after age 18 – but you may still receive a partial OAS pension if you have been in Canada for at least 10 years.

The earliest you can start to collect OAS is age 65. You may also choose to delay your OAS benefits for up to five years, to age 70. If you do, you'll receive higher benefits when you begin to collect.

OAS benefits are adjusted each quarter. As of January 1, 2016, the maximum monthly OAS benefit is about $571. Anyone who receives OAS benefits and earns more than $73,756 (in 2016) will see their OAS benefits reduced due to their higher income.

Contact Service Canada for CPP and OAS benefit information.

Guaranteed Income Supplement (GIS)

This program offers additional support to low-income Canadians. People who receive OAS can receive this tax-free benefit if they have an income below a certain level (below $17,304 for singles or a combined $22,848 for couples, in 2016).

How to apply for your government benefits

You should receive a letter from Service Canada the year before you are eligible for OAS, notifying you that you will automatically be enrolled in the program. If you don't receive this letter, you must apply for your OAS benefits in writing.

You won't automatically be enrolled in CPP. You must apply online or by mailing a completed application to Service Canada, along with required personal information, at least six months before you want your CPP benefits to begin.

To apply for GIS, you must mail a completed application to Service Canada. And since this benefit is based on your income, you must renew your application each year when you file your income tax return.

For more information, contact Service Canada at 1-800-277-9914, or visit **www.servicecanada.gc.ca** to download the application forms.

PLANNING YOUR FINANCIAL FUTURE

How much money will you need in retirement?

Unfortunately, there is no simple answer to this question. Just as your expenses, lifestyle and family situation today are probably different from what they were a few years ago, they will likely be different in the years to come. By the time you stop working, you probably won't be faced with childcare expenses, and your mortgage may be paid off. But you may face new costs, like increased medical expenses.

Canadians are living longer. While this is great news, it means we are living more years in retirement. So, it's important that you spend time planning during your working years to make sure you have enough income to fund your retirement.

Many experts say you will need between 50% and 70% of your annual pre-retirement income after you retire. This means that if you earned an annual income of $60,000 in your final working years, you'll need between $30,000 and $42,000 each year to live comfortably in retirement.

Lifestyle is one of the biggest factors that will impact the retirement income you'll need. Some people see themselves downsizing to a one-bedroom apartment after they retire, visiting family and friends and spending leisure time in low-cost activities like hiking and gardening. Others want to travel or buy a cottage.

If you envision a simpler lifestyle for your retirement, the lower end of that replacement income range may work for you. If you picture an active, "jet-setting" retirement, you'll probably need a higher retirement income.

Other factors that will affect the amount of money you'll need to fund your retirement include those you can control, such as the age at which you retire, and those you can't, such as inflation.

In Canada, the three main sources of retirement income are:

1. employer-sponsored retirement plans (like your Local 537 DC plan),
2. government programs, and
3. personal savings.

The power of compounding

The key to building a comfortable retirement income is to start saving early in your career. This is because of the power of *compounding* – the snowball effect created when money you've saved grows through investing or interest, and those returns continue to grow and generate additional returns.

To help your retirement savings grow through compounding, follow these three steps:

1. **Start early.** As a member of the Local 537 retirement program, your retirement savings have already begun and you're already seeing your savings grow through compounding. That's great! But, depending on your retirement goals, you may need to save more. That's why we recommend you start saving as early as possible. Even if you didn't start saving at an early age, it's not too late. The key is to start saving and investing now, and to continue to do so until you retire.
2. **Save regularly.** Your employers contribute to the DC pension plan for every hour you work. You can build on this by setting up automatic contributions to your voluntary group RRSP and/or TFSA. By doing this, a set dollar amount will be transferred into your account at set time intervals (weekly or monthly, for example) – meaning your saving is automatic, and you don't have to worry about it.
3. **Be patient.** Compounding builds your savings slowly, over time. If you're consistent in your saving and resist the urge to touch the money you've saved until you retire, you'll reap the rewards at the end of your career.

Pension income splitting

When you file your annual income tax return, you can "split" your pension income with your spouse. This means that up to 50% of the pension income you receive from the Local 537 DC pension plan can be reported by your spouse as income on his or her tax return. For the purposes of income splitting, pension income can include payments from any annuity you bought with your DC account balance and, if you are over age 65, regular withdrawals you receive from a life income fund (LIF).

Splitting your pension income may make sense if your spouse is in a lower tax bracket than you. Keep in mind, however, that you can split your pension income only if:

- you and your spouse are living together, and
- you are at least 65 years of age.

Pension income splitting doesn't affect how, or to whom, your pension income is paid. It's simply a way to help reduce your family's total income taxes. All you need to do is submit Form T1032, *Joint Election to Split Pension Income*, available from the Canada Revenue Agency (CRA), send it to the CRA, and complete an additional line on both your own and your spouse's tax returns.

Before making any decision about splitting your pension income, it's best to talk to a financial advisor or accountant.

DEFINITIONS

ANNUITY
When you buy a life annuity, you exchange a lump sum of money for a lifetime monthly income. This income may start anytime you choose after you reach age 55. If you are under age 55, you may buy a "deferred" life annuity, which provides a lifetime retirement income starting at age 55 or later. There are various types of life annuities, including some that provide continuing payments to a spouse or beneficiary after your death.

BENEFICIARY
The person you name to receive any Local 537 retirement program benefits if you die. In the case of your DC pension, your spouse is automatically your beneficiary by law. If you don't have a spouse or your spouse has signed a form to waive the right to your pension benefits, you can name anyone you wish as your beneficiary. If you do not name a beneficiary, death benefits will be paid to your estate.

You can name anyone as your beneficiary for your group RRSP and/or TFSA when you complete the Manulife enrolment forms. You may change your RRSP and/or TFSA beneficiary at any time by completing a *Miscellaneous changes* form.

CPP
Canada Pension Plan, a retirement program sponsored by the Canadian government.

CRA
Canada Revenue Agency.

EMPLOYER
Any company, person or organization required to contribute to the pension plan on behalf of a member covered under the SMWIA Local 537 collective agreement.

GIS
Guaranteed Income Supplement, a retirement program sponsored by the Canadian government.

LIF
Life income fund. A LIF is one of the transfer options for locked-in pension funds. You must start withdrawing money by the end of the second calendar year after the LIF is set up (but no earlier than age 55). Minimum and maximum annual withdrawal limits apply.

LIRA
Locked-in retirement account. A LIRA is one of the transfer options for locked-in pension funds. It works the same way as an 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 or transferred to a life income fund (LIF) by the end of the year in which you reach age 71.

OAS
Old Age Security, a retirement program sponsored by the Canadian government.

PA
Pension adjustment. The amount you are allowed to contribute to a registered retirement savings plan (RRSP) in any year is reduced by total employer contributions to the pension plan for the previous year. This reduction is called a "pension adjustment." Your PA is reported on the T4 slip you get from your employer, and is reflected in the available RRSP contribution room reported on your income tax notice of assessment each year.

RRIF
Registered retirement income fund. One of the transfer options for a maturing RRSP. You maintain control over the investment of the funds and timing of withdrawals, but you must make a minimum annual withdrawal.

RRSP
Registered retirement savings plan. This is a type of account that lets your savings grow on a tax-sheltered basis. 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 transfer your RRSP to an RRIF to provide a retirement income.

TFSA
Tax-free savings account. A TFSA does not give you any tax relief on contributions, but lets you save and invest your money without having to pay tax on your investment income or capital gains. Withdrawals are tax free.

UNION BENEFITS
Administrator of the SMWIA Local 537 retirement program. Please visit the Union Benefits website (**www.unionbenefits.ca**) for more information and to download forms. Click on "I am a member" (username: m537; password: 537rewards).