



**MSPP**

MULTI-SECTOR PENSION PLAN — RÉGIME DE RETRAITE MULTI-SECTEUR

**RRMS**

# Summary Plan Description

February 2007

**Multi-Sector Pension Plan**  
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## ***MULTI-SECTOR PENSION PLAN***

Dear Plan Participants:

The Board of Trustees of the Multi-Sector Pension Plan is pleased to present to you this summary booklet of the MSPP.

The Multi-Sector Pension Plan (referred to in this booklet as the “MSPP” or the “Plan”) began on January 1, 2002 as a joint effort of the Canadian Union of Public Employees and Service Employees International Union. Its purpose is to provide you, bargaining unit members in various industries, with an adequate retirement income. This Plan is, therefore, important in maintaining your future financial security. You should read this booklet carefully and keep it in a safe place. If you have a Spouse, share this booklet with him or her.

The pension benefits you receive from this Plan are paid for by contributions made by you and your employer. The pension benefit payable to you is determined by the total contributions made by you and on your behalf and, if applicable, your eligible years of employment prior to your employer making its first contributions to the Plan.

An Administrator has been retained to carry out the day-to-day operations of the Plan. Heading this office is the General Manager who has been hired to manage the administration and record keeping affairs of the Plan. The General Manager also oversees support staff who assist in the operation of the MSPP and by answering questions and helping with the completion of pension applications.

If you have any questions about the Plan or your pension benefit, please contact the Fund Office at the address and phone number listed on the back page of this booklet.

**This booklet contains a summary of the benefits available to active Participants of the MSPP. While this booklet summarizes the rules contained in the Rules and Regulations of the Plan, it is only a summary. If there are any differences between this Booklet and the Rules and Regulations of the Plan, the Rules and Regulations shall govern. If you wish to review all the details of the Plan, you should refer to the Rules and Regulations of the Plan and the Agreement and Declaration of Trust, both of which are available upon request from the Fund Office. Should there be any discrepancies between the English-language and the French-language versions of the Rules and Regulations of the Plan, the English-language version shall prevail. The Rules and Regulations of the MSPP can be found on our website at [www.mspp.ca](http://www.mspp.ca).**

Sincerely,  
The Board of Trustees



## ***IMPORTANT INFORMATION***

**The pension laws of each province and under the federal jurisdiction are not the same. This summary booklet is based on the pension laws of Ontario. If you work in a federally-regulated industry or outside Ontario, you should review the Rules and Regulations of the Multi-Sector Pension Plan posted on the Plan website at [www.mspp.ca](http://www.mspp.ca) to see how these variations in the law may affect your membership and benefits in the Plan. In this summary booklet the symbol  appears next to topics where the Plan rules may vary depending upon where you work.**

## ***A NOTE ABOUT PRIVACY:***

The MSPP requires certain personal information about Plan members, their employment and their beneficiaries. For example, a pension plan needs to know the birth dates of its members and their social insurance numbers. The MSPP must also track members' wages and their hours of work to ensure that all required contributions are made on their behalf. The MSPP requires information about members' Spouses, or Beneficiaries, so benefits can be paid to the appropriate individual in the event of a member's death. Most of this information is provided to the Plan by the member's employer. Other information is collected directly from members. On occasion, the MSPP may need to share some of this information with actuaries and other pension professionals. The Plan will take reasonable steps to protect the privacy of this information. The Trustees have adopted a Privacy Policy which is available upon request. By participating in the Plan, you are consenting to the Plan's collection, use and disclosure of your personal information.



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## ***ROLE OF PARTIES SERVICING THE PLAN***

### ***Actuaries***

Pension law permits Trustees to seek the opinion and advice of professional advisors. This advice is critical to the successful operation of a trust fund given the large number of beneficiaries and the legal framework under which the trust fund operates.

The actuary calculates the cost of providing benefits under the Plan, and determines whether the Plan is able to afford those benefits. The actuary assists in establishing the Plan design and funding requirements. The actuary also provides an actuarial report, at least every three years, to the pension regulators. He also calculates commuted values for the purposes of portability, marriage breakdown and death benefits.

### ***Auditors***

Audits for the Plan are required by legislation, and must be performed in accordance with the principles and standards of the Canadian Institute of Chartered Accountants. The auditors prepare financial statements. They report financial irregularities, if any, and recommend to the Trustees systems to minimize the risk of them.

### ***Legal Counsel***

The Trustees appoint legal counsel to advise them on their responsibilities. Counsel drafts legal documents, such as the Trust Agreement, Rules and Regulations of the Plan, Investment Manager Agreements and other contracts that the Trustees enter into. Counsel also advises with respect to benefit entitlements, and assists in collecting delinquent contributions. Counsel attends all Trustee's meetings, prepares minutes of those meetings and reports to the Board of Trustees on legal matters as they arise.



## *Administrator*

**The Administrator is responsible for the general day-to-day management and operation of the Plan. As such, the Administrator is responsible for receiving contributions, accounting, recordkeeping and processing benefits. The Administrator is retained by the Trustees, and operates separate and apart from any union which participates in the Plan. The Fund Office can be contacted with questions about the operation of the Plan, calculating of benefit entitlements and obtaining applications for benefits.**

## ***SOME TERMS YOU SHOULD KNOW***

There are a number of terms used throughout this booklet which are capitalized. They have specific meanings. Listed below are some of the terms and their meanings. Other terms with specific meanings are listed and defined in the sections of the booklet to which the terms relate. We believe these definitions will help you in better understanding the MSPP. As always, if you are in doubt about a meaning or how it might affect you, please contact the Fund Office directly or the Plan's website.

**Actuary** – An Actuary is a person or firm which specializes in the calculation of pensions and their value at any given point in time.

**Beneficiary** – A Beneficiary is the person you have designated to receive, in the event of your death, any pension benefits that may be owing to you from the Plan. It is important for you to inform the Fund Office of your Beneficiary and any change of your intended Beneficiary using the form available from the Fund Office or the Plan's website.



**Break in Service** – When no contributions are made to the Plan on behalf of a Participant for a period of eight continuous months, a Participant incurs a Break in Service and his or her status as a Participant in the Plan terminates. If a Participant is on a worker's compensation leave, an approved leave of absence or a layoff, the Participant will be excluded from this rule. ●

**Contributing Employer** – This is an employer that: is bound by a Collective Agreement or Participation Agreement requiring it to make contributions to the MSPP; has been approved for participation in the Plan by the Trustees; and, is making contributions to the Plan as required.

**Commuted Value** – This term is used to describe the current value of a pension benefit accumulated at the time of a Participant's termination of participation in the Plan calculated according to the regulations of the *Pension Benefits Act*, and the rules of the Plan using a formula acceptable to the Canada Revenue Agency.

**Normal Retirement Date** – The first of the month coinciding with or the next month following the attainment of Normal Retirement Age (which is age 65).

**Participant** – A Participant is an employee who has met the eligibility rules outlined in the section of this booklet entitled *Participation in the Plan*. Becoming a Participant is the first step in becoming eligible to receive a pension from the Plan. ●

**Past Service** – Past Service increases the amount of monthly pension available to eligible members in recognition of their service with a Contributing Employer prior to the date that employer made its first Contribution to the Plan. The maximum Past Service available is seven years.



**Plan** – When the word Plan appears, it refers to the MSPP.

**Spouse** – The term Spouse is defined as individuals (of the same or opposite sex) who are:

- married to each other and living together; or,
- not married to each other, but who have been living together in a conjugal relationship for a period of not less than three years; or,
- the natural or adoptive parents of a child and are living in a relationship of some permanence, as defined in the *Ontario Family Law Act*. ●

**Vesting Service** – Once you have become a Participant in the Plan, you will automatically begin earning what is called Vesting Service. For every month you remain a Participant in the Plan, you will earn one month of Vesting Service. Vesting Service is used to determine your right to receive a pension benefit.

**Vesting Status or Vested** – Being Vested or having Vested Status means you have earned the right to receive a pension. This right to receive a pension cannot be taken away from you. To attain Vested Status or become Vested, you must become a Participant in the Plan and earn 24 months of Vesting Service or have reached the Normal Retirement Age of 65.



## ***PARTICIPATION IN THE PLAN***

### ***Becoming a Participant***

Your participation begins with the start of contributions to the Plan by you and by your employer, and allows you to start earning Vesting Service, once your employer has been approved for participation as a Contributing Employer.

Participation in the Plan is compulsory for all employees covered by a Collective Agreement which provides for contributions to the MSPP and who work for a Contributing Employer after fulfilling the eligibility rule. ●

You will be eligible to become a Participant in the Plan on the later of:

- The date your employer was obliged to make contributions to the Plan on your behalf, or
- The first day of the month following the month in which you complete the required hours of employment with your employer, provided that on the date you completed those hours your employer was obligated to contribute to the Plan on your behalf. Normally in Ontario this will be 500 hours, but this number does vary based on the terms of your collective agreement. The examples below assume a 500-hour threshold. ●

#### ***Example:***

If you were already working at a facility which became a Contributing Employer on January 1, 2005, and at that time you had at least 500 hours of employment with that employer, you became a Participant in the Plan on January 1, 2005.

A full-time employee typically works approximately 1,800 hours per year. Accordingly, an eligible new employee would become a Participant in the Plan after working 500 hours or about 3 ½ months. Therefore,



if you began work on February 1, 2006 and worked full-time, you became a Participant on June 1, 2006.

Employer Participation Date: January 1, 2005

**Your Hire Date:** February 1, 2006

**Your Hours per Month:**

February, 2006	150 hours
March, 2006	150 hours
April, 2006	150 hours
May, 2006	150 hours

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Total: 600 hours

***Date of Participation*** Since you completed 500 hours of employment in mid May 2006, you became a Participant on June 1, 2006, the first day of the month following the month in which you completed the required hours of employment.

### ***Maintaining Your Participation***

In order to continue to accumulate benefits you must remain a Participant in the Plan. As long as you remain working for a Contributing Employer who makes contributions to the Plan on your behalf, you will remain a Participant in the Plan.

If you are no longer employed by a Contributing Employer, your participation in the Plan does not stop until you have a Break in Service.

● You will remain a Participant for a period of eight months following the last date on which contributions were made on your behalf. The purpose of this eight-month period is to give you the opportunity to change employers who participate in the Plan and to continue to participate in the MSPP after you make the change.



If you are on a sick leave, maternity leave, paternity leave, worker's compensation leave or an approved leave of absence but still on the Contributing Employer's payroll you will not incur a Break in Service. Additionally, if you are on recall under the terms of your Collective Agreement, you will not incur a Break in Service. However, you may elect to terminate your participation after 24 continuous months during which no contributions made on your behalf. ●

In the event that you terminate employment with a Contributing Employer and then return to work for another Contributing Employer, you will remain a Participant in the Plan and continue to earn benefits as long as contributions start again within the eight-month period.

If you decide to return to work for a Contributing Employer after a Break in Service, you will have to once again satisfy all the requirements for new Participants.



## ***SELF-PAYMENT***

In order to help you maintain your status as a Participant and avoid a Break in Service, the Plan has a Self-Payment provision. This feature allows Participants who are moving between Contributing Employers to remain Participants in the Plan while waiting for pension contributions from the new Contributing Employer to begin. You may make self-payment contributions before you complete 500 hours ● with your new Contributing Employer.

Self-payments will be allowed if you terminate employment with a Contributing Employer and are employed by another Contributing Employer prior to incurring a Break in Service or if you are on an approved leave of absence and have worked in covered employment during the calendar year provided that, in either case, you:

- make a written request to the Fund Office; and,
- make payments at the rate of contribution and for the period of time required by the Fund Office.

These self-payments cannot exceed the total employee contributions that you would normally have made in one year of employment less any employee contributions that were actually made for that year.



## **HOW YOU QUALIFY FOR BENEFITS**

### ***Vested Status***

The length of time you work for an employer who contributes to the Plan on your behalf counts in two important ways. It counts towards your becoming a Participant and determines when you will become entitled to a benefit from the Plan.

To become Vested, you must accumulate 24 months of Vesting Service or attain age 65, whichever occurs first. Once you are Vested, you will be entitled to a pension benefit from the Plan based on your contributions and those of your employer(s).

If you incur a Break in Service prior to becoming Vested, you are entitled to the return of your own contributions (but not your employer's) plus interest.

Once you are Vested, you will normally only be entitled to take your accrued benefits, based on contributions received by the Plan plus any Past Service Benefit(s) you may be eligible to receive, as a pension or, if you are eligible, to transfer them under the Portability Option. ●

#### ***Example:***

Gisela became a Participant in the Plan on July 1, 2004. Since then she has continued to work for the same employer and has not incurred a Break in Service. Gisela began earning Vesting Service in July 2004, and became vested 24 months, later on July 1, 2006, given that she remains a Participant in the Plan.

#### ***Example:***

Adnan became a Participant in the Plan on January 1, 2004. He continued to work for the same employer until July 15, 2005 and then quit his job. Because of the eight-month rule, Adnan remained a Participant in the Plan until April, 2006.



At the date of Adnan's termination of employment he had 18 months of Vesting Service (January 1, 2004 to July 15, 2005). Because of the eight-month rule, Adnan does not have a Break in Service until after January 1, 2006, and even though he no longer worked for a Contributing Employer, he became Vested on January 1, 2006. Therefore, Adnan is eligible to receive a pension from the Plan. His pension will be based on the benefits he accrued between January 1, 2004 and July 15, 2005, as well as any Past Service Benefits to which he might be entitled.

## ***HOW MUCH THE PLAN PAYS***

The pension benefit to which you are entitled from the Plan at age 65 is based on the amount of contributions received by the Plan on your behalf and the time you worked for your first Contributing Employer. You earn what is called Future Service for all the time you work after you and your employer begin making contributions to the Plan. You may also be eligible for up to seven years of Past Service Credit for the time you worked for your first Contributing Employer before that employer joined the Plan.

To qualify for Past Service Credit, you must:

- (i) be Vested;
- (ii) have worked for your first Contributing Employer from your seniority date with this employer to the date for which this employer first makes contributions to the Plan; and,
- (iii) be a Participant in the Plan when your employer joins the Plan.

The Normal Pension is the basic form of pension offered by the Plan.

## ***Normal Pension***



The amount of your Normal Pension is determined by adding together the Future Service Benefit and the amount of Past Service Benefit you have earned (if any).

For every \$100 in contributions made to the Plan (yours and your employer's combined), you will receive \$1.55 per month payable at age 65 for your lifetime.

***Example:***

Total contributions: \$50,000 (\$25,000 from your employer and \$25,000 from you)

Benefit amount:  $\$50,000 \div 100 = 500$   
 $500 \times \$1.55 = \$775.00$

You will be entitled to a monthly benefit of \$775.00 at age 65 payable for your lifetime.

Past Service Credit is determined by an eligible member's years of employment with a Contributing Employer before it made its first contribution to the Plan. If you are eligible, the amount of your Past Service Benefit is determined by your years of Past Service Credit and your maximum contribution rate for 12 continuous months.

For purposes of determining the amount of Past Service Credit, a year is defined as 1,800 hours of employment.

A member working for an employer when it makes its first contribution to the MSPP will receive one year of Past Service Credit for each year of employment that member had with that employer before the date of its first contribution to the Plan. Such a member will receive up to six years of Past Service Credit upon completing 24 continuous months of participation in the MSPP. Upon completion of another 12

***Future Service Benefit***

***Past Service Benefit***



continuous months in the MSPP (36 months in total) that member will reach the maximum Past Service Credit of seven years. **Please note that under no circumstance can a member receive more Past Service Credit than the lesser of seven years or the member's length of employment with that employer prior to its first contribution to the MSPP.**

**I. MEMBERS OF EMPLOYERS  
APPROVED BEFORE JANUARY 1, 2006**

<b>Past Service Benefit (per month)</b>	
<b>Past Service Credit Entitlement</b>	<b>After 24 Months of Contribution Value of Benefit</b>
1 year	\$ 26.60
2 years	\$ 53.20
3 years	\$ 79.80
4 years	\$106.40
5 years	\$133.00
6 years	\$159.60
7 years or more	\$159.60

<b>Past Service Benefit (per month)</b>	
<b>Past Service Credit Entitlement</b>	<b>After 36 Months of Contribution Value of Benefit</b>
1 year	\$ 26.60
2 years	\$ 53.20
3 years	\$ 79.80
4 years	\$106.40
5 years	\$133.00
6 years	\$159.60
7 years or more	\$186.20

The Trustees of the MSPP have amended the Plan rules to provide for the pro-rating of Past Service Credits of new members whose employer is approved as a Contributing Employer after December 31, 2005 and who have a total maximum contribution rate



(employee plus employer) of less than 8% of the member's wages. The pro-rating of Past Service Benefits is based on the maximum rate of total contributions made on that member's behalf during any period of at least 12 full months.

The pension amounts in the following charts represent Past Service Benefits only. They do not include the Future Service Benefits members will earn during their years of participation in the MSPP. These amounts only apply to members for whom the MSPP receives at least 150 hours of contributions each month. These charts are for illustrative purposes only. In the event that there are any discrepancies between these charts and the Rules and Regulations of the Plan, the Rules and Regulations shall govern.

## II. MEMBERS OF EMPLOYERS APPROVED AFTER DECEMBER 31, 2005

<b>Past Service Benefit (per month) After 24 Months of Participation</b>					
<b>Past Service Credit</b>	<b>Maximum 12-Month Total Contribution Rate</b>				
	<b>8%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>
1 year	\$ 26.60	\$ 23.28	\$ 19.95	\$16.63	\$13.30
2 years	\$ 53.20	\$ 46.56	\$ 39.90	\$33.26	\$26.60
3 years	\$ 79.80	\$ 69.86	\$ 59.85	\$49.89	\$39.90
4 years	\$106.40	\$ 93.12	\$ 79.80	\$66.52	\$53.20
5 years	\$133.00	\$116.40	\$ 99.75	\$83.15	\$66.50
6 years	\$159.60	\$139.68	\$119.70	\$99.78	\$79.80
7 years or more	\$159.60	\$139.68	\$119.70	\$99.78	\$79.80



<b>Past Service Benefit (per month) After 36 Months of Participation</b>					
<b>Past Service Credit</b>	<b>Maximum 12-Month Total Contribution Rate</b>				
	<b>8%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>
1 year	\$ 26.60	\$ 23.28	\$ 19.95	\$ 16.63	\$13.30
2 years	\$ 53.20	\$ 46.56	\$ 39.90	\$ 33.26	\$26.60
3 years	\$ 79.80	\$ 69.86	\$ 59.85	\$ 49.89	\$39.90
4 years	\$106.40	\$ 93.12	\$ 79.80	\$ 66.52	\$53.20
5 years	\$133.00	\$116.40	\$ 99.75	\$ 83.15	\$66.50
6 years	\$159.60	\$139.68	\$119.70	\$ 99.78	\$79.80
7 years or more	\$186.20	\$163.66	\$139.65	\$116.41	\$93.10

***WHEN PENSION BENEFITS ARE PAYABLE***

You must apply to the Fund Office for your pension benefit. It does not automatically start when you leave employment. It is your responsibility to advise the Fund Office, not that of your employer. An Application must be filed with the Fund Office. It is best to apply several months in advance of when you wish your pension to start.

By law, pension payment must start no later than the end of the calendar year in which you turn age 69. It is also important to apply for your pension when you are eligible. If you apply late, your pension payments may be delayed. Additionally, the Plan Rules do not allow for the payment of pension benefits for time periods prior to the Fund Office's receipt of your application. For example, if you turn 65 and retire but do not apply for your pension until you turn 66 you will not receive the 12 months of pension benefits you missed out on prior to your application.

Assuming the Fund Office has received your application, the Normal Pension or Deferred Pension that is payable on or after the Normal Retirement Date will be payable the month



following the month in which you reach age 65, or the month following the month in which you last worked in employment for which contributions were made on your behalf, whichever is later.

If you have not yet reached age 65, an Early Retirement Pension is payable the first day of the month following the latest of the following dates:

- the date you turn 55;
- the date of your termination from employment;
- when your application form was received by the Fund Office; or,
- when you request your benefit to commence.

***Example:***

Ajmal terminated employment on January 10, 2006 after his 55th birthday. His pension application form was received at the Fund Office on March 11, 2006. He requested that his pension payments begin on February 1, 2006. As March 11, 2006 is the latest of the four dates, his pension benefit will be payable the first of the following month, which is April 1, 2006.

***HOW RETIREMENT BENEFITS ARE PAID***

The manner in which your pension is paid to you depends in part on whether or not you have a Spouse on the day you first start to receive a monthly benefit. Supporting documentation must accompany your application to the Fund Office. If you have a Spouse on the day you retire, you will receive your pension in the Joint and Survivor form unless your Spouse waives the right to receive a pension after your death. If you do not have a Spouse on the day you



retire or if you have a Spouse who waives the Joint and Survivor form, you will receive your pension as a Single Life Benefit. These two methods are known as the “standard forms of payment”.

### *Standard Forms of Payment*

1. **Joint and Survivor Benefit** – This type of payment provides a monthly pension for your lifetime and, upon your death, 60% of the benefit you were receiving continues to your Spouse for his or her lifetime.

Because the Joint and Survivor Benefit potentially requires the payment of your pension benefit to continue beyond your lifetime, the monthly amount of your pension will be reduced to reflect the longer period of time over which your pension might be paid. The amount that your pension is reduced is based on your age and your Spouse’s age when you retire.

Your Spouse may waive his or her right to the Joint and Survivor Benefit by filing a written waiver with the Trustees during the 12 months immediately preceding the first payment of your pension. This form is available from the Fund Office. If this waiver is filed, you will be eligible to choose one of the other optional methods of payment. ●

2. **Single Life Benefit** – The Single Life Benefit form of payment is automatically paid to you if you do not have a Spouse when you retire. Under this form of payment, a monthly pension is paid to you for your lifetime with a minimum of at least 60 monthly payments being paid.

If you die before receiving 60 payments, your Beneficiary or estate will receive the balance of your remaining monthly pension payments until a total of 60 payments have been made to you and your Beneficiary or estate.



### 3. **Optional Forms of Payment**

Five optional methods of payment are offered by the Plan. With the exception of the Level Pension Option, these forms are available to all pensioners.

The optional forms of payment are as follows:

1. **Life Only Pension** – This form of payment pays you a pension for as long as you live. Upon your death, all payments from the Plan stop.
2. **Life Pension With 10 Years Certain** – This form of pension payment pays you a monthly benefit for your lifetime with a minimum 120 monthly payments. Upon your death, if you have not received at least 120 monthly payments, your Beneficiary will receive the balance of payments until a total of 120 monthly payments have been made. If you elect this option, your benefit will be reduced to pay for the minimum 120 payments. The amount of the reduction depends on your age when payment begins.
3. **Life Pension With 15 Years Certain** – This form of payment is exactly the same as the Life Pension with 10 Years Certain described above, except that the payments are made for a minimum of 180 months. If you elect this option, your benefit will be reduced to pay for the minimum 180 payments. The amount of the reduction depends on your age when payments begin.
4. **Joint and Survivor Benefit** – 50%, 75% or 100% – This option pays to you a monthly pension benefit for your lifetime. Upon your death, your Spouse will



receive during his/her lifetime, depending upon your choice, either 50%, 75% or 100% of the amount you were receiving before your death, provided your Spouse is alive at the time of your death. If your Spouse predeceases you, the pension benefit will cease upon your death. If you elect this option, your benefit will be reduced to reflect that payments are made over two lifetimes. The amount of reduction is based on your age and your Spouse's age at the time you start to collect your monthly benefit. If you select the 50% option, your Spouse will have to provide the Fund Office with a waiver.

5. **Level Pension Option** – This is only available to those who choose early retirement. This option takes into account the benefits you may receive under the *Old Age Security Act* and the Canada Pension Plan. Initially, you will receive a higher monthly payment from the Plan. You will continue to receive this higher amount from the date you retire until you reach age 65, when the Old Age Security Pension and full benefits from the Canada Pension Plan are payable to you if you qualify. Your payments from the Plan will then be reduced. That way, the benefits you will receive under the *Old Age Security Act* and the Canada Pension Plan, plus the reduced payment from the Plan will be approximately equal to the pension you were receiving before your Old Age Security Pension and Canada Pension Plan payments started, providing you qualify for full benefits from the Canada Pension Plan and Old Age Security.

**Note:** The Fund and the Trustees are **NOT** responsible for the payment of the Old Age Security benefit or the



Canada Pension Plan benefits If you do not qualify or these benefits are reduced or abolished, your MSPP pension will not be adjusted.

Once you have started to receive your benefit, you may not change the method of payment.

If you are mentally or physically disabled and there is satisfactory medical evidence provided to the Trustees that your life expectancy will be shortened, you may be eligible to vary the terms of your benefit. Written application to the Trustees must be made. ●

## ***IF YOU TERMINATE YOUR PARTICIPATION BEFORE YOU RETIRE***

If you terminate participation in the MSPP before becoming eligible to receive a pension from the Plan, you may receive the benefits you have earned in one of three ways: Termination Benefit; Deferred Pension; or, Portability Option. Your eligibility for these three payment methods depends on your age and whether or not you are Vested.

The Termination Benefit is available to you regardless of your age, if you are not Vested.

### ***Termination Benefit***

If you are not Vested in your pension benefit at the time you terminate your participation in the Plan, you will be eligible for a Termination Benefit. This benefit is equal to the amount of your own contributions to the Plan plus interest. You will not receive the employer(s) contributions made on your behalf, nor will you be eligible for any further benefits from the Plan.

The Termination Benefit is paid to you or your Spouse or Beneficiary if your termination is due to your death, in a single lump sum including interest to the date of payment. Your Spouse may choose to transfer this amount to a regular RRSP.



## *Deferred Pension*

If you are Vested in your pension benefits and you have terminated your participation before retiring, you can choose to leave your money in the Plan and receive a Deferred Pension at a later date. A Deferred Pension is payable to a former Participant upon retirement at or after age 55. If you start receiving a pension at age 65 or later, you will be paid a monthly pension calculated in the same manner as a Normal Pension. If you decide to begin receiving your Deferred Pension between the ages of 55 and 65, the amount of the Deferred Pension will be calculated in the same manner as a Normal Pension and then reduced like an Early Retirement Pension.

If you are under age 55 and do not wish to receive a Deferred Pension, you may transfer the Commuted Value of your pension benefit by selecting the Portability Option. ●

## *Portability Option*

If you are Vested and under age 55 when you terminate your participation in the Plan, you may select the Portability Option. The Portability Option allows you to transfer the Commuted Value of your pension benefits to another qualified investment vehicle. In Ontario these qualified investments are:

- another Registered Pension Plan;
- a locked-in Registered Retirement Savings Plan;
- an deferred Life Annuity; or,
- a Life Income Fund. ●

In order to select the Portability Option, you must file an application form requesting this benefit within 60 days of your receipt of a termination statement from the Plan. If you do not apply within the above time limit, you will



lose the opportunity to choose this option and will be deemed to have selected a Deferred Pension. ●

If you elect to transfer the value of your accrued benefits from the Plan, you will not be eligible for any further benefits from the Plan.

If you die after you become Vested but before beginning to receive your pension, your Spouse will be eligible to receive a Pre-Retirement Survivor benefit. If you do not have a Spouse at the time of your death, or your Spouse has waived his or her entitlement to a Pre-Retirement Survivor benefit, your Beneficiary or estate will be eligible to receive a Pre-Retirement Death Benefit. The amount payable to your Spouse, Beneficiary or estate is equal to 100% of the Commuted Value of the pension benefits you earned up to the date of your death.

If you have a Spouse at the time of your death, he or she can receive the Commuted Value in one of the following three ways:

- as an immediate monthly pension payable for the life of your Spouse;
- as a deferred monthly pension beginning before or at the time the surviving Spouse reaches age 65; or,
- as a single lump sum cash payment which may be transferred to an RRSP.

If you do not have a Spouse at the time of your death, or your Spouse has waived his or her entitlement to a Pre-Retirement Survivor Benefit, the Commuted Value will be paid to your Beneficiary, or to your estate if you have not named a Beneficiary, as a single lump sum payment. The single lump-sum payment will be paid as a taxable cash distribution.

## ***PRE-RETIREMENT DEATH BENEFITS***



Your Spouse or Beneficiary should contact the Fund Office as soon as possible after your death. The Fund Office will provide your Spouse, Beneficiary or estate with a statement as to the amount of the Commuted Value of your benefits after it receives a completed application form from the party seeking to receive the benefit.

In order to designate a Beneficiary who will receive a benefit from the MSPP if you should die, a completed Beneficiary Designation form must be returned to the Fund Office. These are available from the Fund Office and the website.

If you have a Spouse and want to name someone other than your Spouse as Beneficiary, your Spouse must agree, in writing on the appropriate waiver form, to waive his or her rights to any MSPP benefits. ●

The name of your current Beneficiary will appear on your Annual Statement. If there is no name listed this means the Fund Office does not have a designated Beneficiary on file for you.

If you want to change your Beneficiary, all you have to do is complete a new form and return it to the Fund Office. A change in your personal life may require a change in your Beneficiary. Keep your Beneficiary designation current.

## ***NAMING A BENEFICIARY***



## ***OTHER THINGS YOU SHOULD KNOW***

### ***Benefit Rights & Restrictions***

There are a number of factors affecting rights to your pension benefit about which you should be aware. These include your right to a pension, the maximum pension you may receive, and the assignment of your pension benefits.

- In the event the MSPP is unable to pay the full amount of benefits due to a funding shortfall, the Trustees have the right to reduce benefits being paid or that will become payable under the Plan.
- In the event a Contributing Employer withdraws from the MSPP prior to 15 years of participation, the Trustees have the right to reduce benefits, if the contributions received are not sufficient to pay for the benefits of members who were employed by that employer.
- Under the rules of the MSPP, you may only receive one pension benefit from the Plan.
- The maximum pension you can receive from the MSPP will in no event exceed the maximum annual pension permitted by the Canada Revenue Agency.
- The pension benefits owing to you or currently being paid to you cannot be assigned or pledged to another party. This means that you cannot use your right to a pension as security for loans, mortgages, etc.
- If you obtain a divorce, annulment or separation from your Spouse, your pension benefits may become subject to assignment under the applicable provincial property and family law of the province in which you live.





## *Plan Operations*

- Should it be determined that you have become unable to care for your financial affairs because of mental or physical incapacity, the Trustees, in accordance with the rules of the Plan, may redirect your pension benefits to your legal guardian, committee or representative.
- The day-to-day operation of the MSPP is handled by the Administrator which has been retained to run the Fund Office on behalf of the Trustees.
- The determination of your pension benefits will be made solely on the basis of the records kept by the Fund Office and verification with employer records, as required.
- All decisions made by the Trustees regarding the MSPP are final and binding.
- From time to time, the Rules and Regulations of the MSPP are subject to changes. The Trustees will endeavor to keep the website ([www.mspp.ca](http://www.mspp.ca)) up to date and to inform you of changes.
- The pension benefits paid by the MSPP are funded through employee and employer contributions. The benefit levels (\$1.55 per \$100 of contributions and up to \$26.60 per year of Past Service Credit) are determined on the advice of an Actuary with the aim that the income of the MSPP will be sufficient to meet the future liabilities of the Plan.
- The contributions made to the Trust Fund are used only to finance the benefits of the MSPP and to pay the Plan's expenses. Under no circumstances will any contributions made to the MSPP revert back to the employer, unless the reversion is required in order to



avoid revocation of registration of the Plan under the *Income Tax Act*.

- The MSPP is expected to operate indefinitely. However, in the unlikely event that it is terminated, your pension benefits will be determined as provided by the laws of the Province of Ontario and the Trustees.
- The MSPP is registered in Ontario under the *Pension Benefits Act*, and under the *Income Tax Act*.
- If you have any questions regarding MSPP or about your pension, please feel free to write the Fund Office. If you have any change of information, please complete the enclosed change of information form located in the centre of this booklet and submit it to the Fund Office. Please advise the Fund Office of all address changes. The Fund Office does many mailings during the course of a year to your home address. If your address is not correct with the Fund Office, you will miss out on receiving this important material.

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