



BOILERMAKERS' NATIONAL BENEFIT FUNDS (CANADA)

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Boilermakers' National Pension Fund (Canada) Plan Registration Number 0366708 and Boilermakers' National Health Fund (Canada)

Information About The Benefits for IBB U.S. Travel Card Members Updated October 2023

Question: How do I enroll in the Plan?

Answer: The Plan Administration Office has provided an Enrollment Form to your employer and to the Union (the IBB). You must complete this form, along with your other employment forms. The Plan's enrollment form must be sent to the Plan Administration Office at the above address.

Question: What change has there been to benefits for IBB U.S. Travel Card Workers?

Answer: Until the work month of January 2013, IBB U.S. travel card workers had the health contribution (\$2.25 per hour) reciprocated to the IBB's United States health plan. The pension contribution (net amount) was deposited to the travel card worker's account at Manulife Financial (Manulife). The IBB and the Boilermaker Contractors' Association (BCA) amended the applicable collective agreements so that these monies are now paid to the IBB U.S. travel card worker's health IBB plan in the United States.

Question: Why was this change made?

Answer: IBB United States travel card workers needed their health benefits in the IBB's United States' plan to be continued. This was the best possible solution.

Question: How much of the total pension contribution will be remitted to the IBB's health plan in the United States? What will be the total amount per hour remitted?

Answer: The amount to be remitted can be calculated by using this chart:

Province	Hourly Pension Rate (Field Members)	Transfer Ratio for deposits*	Net Hourly amount transferred to IBB US Health Plan
Alberta	\$6.00	88.9%	\$5.33
Manitoba	\$5.25	88.9%	\$4.67
Newfoundland	\$5.00	88.9%	\$4.45
Nova Scotia	\$6.50	88.9%	\$5.78
New Brunswick	\$6.50	88.9%	\$5.78
Ontario	\$6.50	88.9%	\$5.78
Saskatchewan	\$5.25	88.9%	\$4.67

Question: How did the Trustees calculate the Transfer Ratio of 88.9%?

Answer: Each year the Boilermakers’ National Pension Plan (Canada) (the Plan) actuary calculates the percentage of its total assets compared to the cost of all of the benefits to be provided by the Plan using a formula called “solvency”. This produces the Transfer Ratio. The Transfer Ratio is calculated in the month of September for the prior year.

The Transfer Ratio is established in September of each year and applies to contributions received for the work month of September of the same year. The Transfer Ratio can be higher, or lower, than 88.9%. The Transfer Ratio will be amended subject to applicable legislation.

The Transfer Ratio will be calculated each September and will be adjusted subject to applicable legislation.

Canadian Active and Retired members earn benefits on a similar formula.

Question: Can the Transfer Ratio (the amount of money transferred) change? If the Transfer Ratio can change, why will it change?

Answer: The Transfer Ratio can increase, decrease, or stay the same. The Transfer Ratio is calculated by the Plan's actuary according to a prescribed set of rules that must meet professional standards and be compliant with all applicable legislation. The Transfer Ratio is calculated every year and can change due to a number of factors:

- a) the investment earnings/losses of the Fund;
- b) an increase/decrease in the cost of providing benefits (ie the average age of Plan Members increased/decreased);
- c) longer/shorter life expectancy of Plan Members;
- d) interest rates and legislation.

Question: When will the money be transferred to the IBB United States health fund?

Answer: Transfers are monthly.

Question: Will I pay Canadian tax on the amount reciprocated to my IBB United States health plan?

Answer: No but this is subject to applicable legislation.

Question: What kind of investment is my pension money in? Do I pay fees? Can I change this investment?

Answer: Your pension contributions will be invested in the Plan's Defined Contribution (DC) benefit. If you do not advise Manulife about the kind of investment you want, Manulife will invest all monies for your account in a **balanced fund**. The **balanced fund** invests in both stocks and bonds and **your investment is not guaranteed**. You pay fees for this investment. The Plan provides a no-fee Daily Interest Savings Account and other for-fee investment options.

Question: What are the rules for taking the Defined Contribution Pension benefit I earned out of the Plan?

Answer: Once an IBB US travel card member has stopped working for a minimum of one work month the US travel card member will be considered to be terminated under the Plan. The IBB U.S. travel card member will then be able to apply to withdraw his/her monies from the Manulife Financial Account. You must complete the Termination Form and file it with the Plan Administration Office. The Termination Form is located on the IBB U.S. Travel Card Members' Benefits section of the Plan's web site at www.boilermakersbenefits.ca.

Question: How will I know what money has been deposited at Manulife?

Answer: Provided the Plan has complete contact information for you, you will receive Statements from Manulife on an annual basis. Semi-annual statements are also available on Manulife's website. You will also be given on-line access to your account at Manulife so that you can see what's in your account and how it's invested 24/7.

Question: How do I transfer out the money in my Manulife Account?

Answer: Once you have stopped work in Canada for at least 30 days you can complete the Termination Form. Remit this to the Plan Administration Office by email, mail or fax.

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Administration Office
45 McIntosh Drive, Markham, Ontario L3R 8C7
Email: questions@boilermakersbenefits.ca
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Manulife will close your account and send you the balance by cheque.

Please note that one withdrawal per calendar year is allowed. An additional final withdrawal will be allowed for the year in which you turn age 71 in order to close your account.

Question: Are there any fees to be paid if I withdraw my money from the Manulife Account?

Answer: Yes, there is a \$75.00 Manulife transaction fee that will automatically be deducted from your lump sum payment. Also, if you decided to invest your monies in a market-based account (ie anything other than the Daily Interest Account) your account could be subject to a market value adjustment. This means that, when you apply to withdraw your funds, Manulife Financial will value your account. If your account value is worth more than the contributions deposited to it because you chose an investment that made money, you will receive the total amount. If your account is worth less than the contributions deposited to it because you chose an investment that lost money, the amount you take out will be less than the amount of contributions deposited to your account by the Plan. If you invest money in the Daily Interest Account, you will receive the monies the Plan deposited to the account plus interest.

Question: My T4 from my employer shows something called a Pension Adjustment (PA). What is that? Do I pay tax on it?

Answer: The Pension Adjustment is a tax reporting requirement of your employer. You do not pay tax on that amount. However, if you withdraw monies from the Plan the withdrawal amount is taxable.

Question: The total pension contribution including the Special Funding Contribution (discontinued in July 2018) is reported on my T4 by my employers as a Pension Adjustment (PA). Why does this whole amount have to be reported when only a part of it is transferred to my Manulife account or reciprocated to my IBB health plan in the United States?

Answer: Those are the rules of the *Income Tax Act*, Canada. The Plans must be compliant with all applicable legislation.

Question: *If I take a withdrawal from my account at Manulife will I have to pay tax?*

Answer: Yes.

Question: *What about income tax reporting for the money I withdraw from my account?*

Answer: Manulife will handle the paperwork. You should receive your tax slips for withdrawals from the Manulife account by the end of March for the prior year (ie March 2024 for 2023 withdrawals).

Question: *Can I direct the Plan Administration Office to pay the contributions to me? Do I have to go through Manulife?*

Answer: You must go through the Plan first to ensure that the withdrawal application is approved. The Plan Administration Office will provide Manulife with direction to withdraw your funds from the Plan's Defined Contribution benefit.

Question: *How long will it take to receive the cash benefit from my Manulife Account?*

Answer: Assuming that you correctly complete the necessary applications and you have terminated your employment for at least one full work month your requested transaction should be completed within 30 days of the date your application is received.

Question: *What if I want to cash out a part of my Manulife Account and leave some of it invested?*

Answer: You are not allowed to withdraw just a part of the Defined Contribution benefit. You must decide if you want to withdraw all of it, or leave all of it in the account. You must ensure that any application is completely clear about what your wishes are. The Plan administrator will instruct Manulife to pay all of the monies credited to your Manulife Account by the date your application for withdrawal is processed.

Question: *What if I die? Who gets the benefit in the Manulife Account?*

Answer: The Death Benefit is the market value of your account at Manulife at your date of death. If you have a Spouse at your date of death, the Death Benefit will be payable to your Spouse. If you do not have a Spouse at your date of death, the Death Benefit would be paid to your Estate.

Question: Please summarize what the important forms are for the Defined Contribution benefit.

Answer:

Form	Use this Form for	Send this Form to
Enrollment Form	Giving the Plan the information it needs to record contributions received on your behalf and remit them to Manulife	The Plan Administration Office
Termination Form	Making one withdrawal from the defined contribution benefit per Calendar year, provided you have not worked for at least one full work month	The Plan Administration Office
Investment Direction for Future Contributions	Making your investment selections for monies to be transferred to your Defined Contribution account	Manulife Financial
Interfund transfer for existing assets	Changing your investment selections for monies to be transferred to your Defined Contribution account	Manulife Financial