



YOUR PENSION PLAN UPDATE

In this pension plan update, you'll learn what's going on with the CMAW Target Pension Plan (CTPP), and how you can get a jumpstart on your retirement planning.

For past editions of this newsletter, visit www.cmaw.ca.

A look back at the plan's financial position

The plan's valuation

The latest valuation – which helps the Trustees assess the plan's financial health – was completed as at June 30, 2016. It indicated that the plan's financial position is strong, with a 114.5% funded ratio, after reflecting an additional reserve that protects the plan against adverse circumstances, such as lower than expected investment returns, interest rates and reported hours.

This means that the plan has more than enough funds to pay for all pension benefits over the long term, thanks to strong investment returns, stable demographics, and consistent reported hours. As a result, benefits were improved in 2017.

The next full valuation is currently being prepared as at June 30, 2019 and will be finalized in 2020. Stay tuned for the results!

The plan's investment performance

The plan's average annual investment return for the 4-year period ending June 30, 2019 was 6.3%. This return meets the Trustees expectations and exceeds the 5.6% return of the benchmark fund, which is a standard based on broad investment markets that has been compiled to match the plan's investment strategy.

A quick reminder: how the plan works

Your pension from the plan is determined by the number of hours you worked as a plan member and the pension accrual rate in effect when you worked those hours.

Since the plan is a Target Benefit Plan, your pension may be adjusted upwards or downwards in the future depending on the financial situation of the plan.

For more details, read the plan booklet available at www.cmaw.ca.

Reported hours

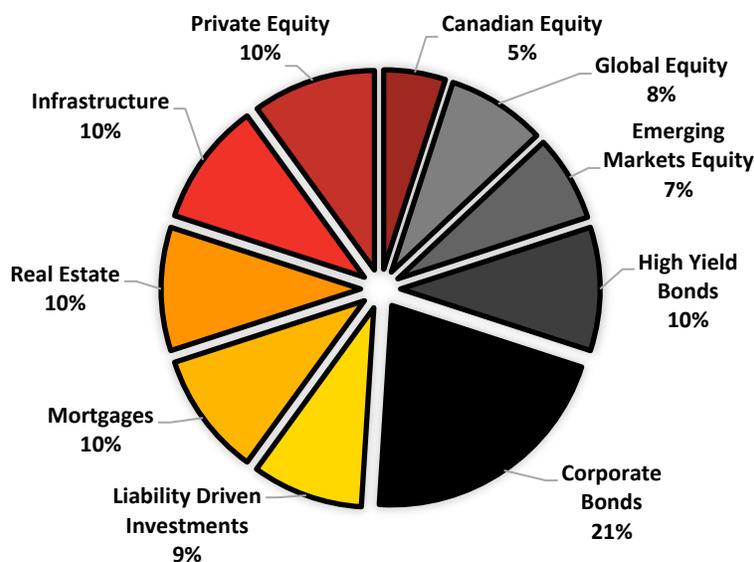
Higher reported hours protect the plan against fluctuations in the financial markets. The Trustees are expecting reported hours to **increase** over the next 2 to 4 years thanks to the following projects, along with many other smaller initiatives:

The Site C contract	Community Benefits Agreement, yielding work on the Pattullo Bridge, Highway 1 upgrade between Kamloops and Alberta, and Broadway Corridor rapid transit line	Fresh water transfer tunnel between North Vancouver and Burnaby	LNG Canada export and related construction projects in the Northwest
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New investment managers

The Trustees completed an asset-liability study in 2016 to help determine the best investment strategy for the plan. As a result of this study, the Trustees adopted a new long-term target asset allocation (i.e., how the plan is invested).

New target asset allocation



The Trustees have also reviewed the plan's investment managers following the asset-liability study. After careful consideration, the Trustees have made the following changes:

Leith Wheeler Investment Counsel...	Alphafixe Capital...	Connor, Clark & Lunn (CC&L) Financial Group...	IFM Investors...	Private equity...
... has been appointed as the sole Canadian equity manager, as well as the plan's high yield bond manager	... has been appointed as the plan's corporate bond manager	... has been appointed as the plan's emerging markets equity manager	... has been appointed as the new infrastructure manager	... has been added to the existing target asset allocation and Northleaf Capital Partners was appointed as the private equity manager

Getting ready to retire

Regardless of when you intend on retiring, it's never too early to start planning for your future. Experts typically say you'll need between 50% and 70% of your pre-retirement income. How much money you'll actually need to retire comfortably depends on your goals: you may wish to travel the world, retreat to a cabin or cottage, or something in between.

The CTPP is here to help you fund your future. However, the plan is just one part of your retirement income.

In addition to the CTPP, your retirement income could also include:

- Pension plans from previous employment
- Personal savings – e.g., Registered Retirement Savings Plans (RRSPs), Tax-Free Savings Accounts (TFSAs) and personal assets
- Government plans – e.g., Canada Pension Plan and Old Age Security

How government plans work

The Government of Canada offers two main retirement programs: the Canada Pension Plan (CPP) and Old Age Security (OAS). Here are some key facts about these benefits.

CPP

- Typically starts at age 65
- You can start as early as age 60 – your benefit will be reduced
- Or, you can start as late as age 70 – your benefit will be increased
- Your CPP benefit amount will depend on how long you contributed to the CPP and your earnings during that time
- In July 2019, the annual average CPP benefit for new beneficiaries at age 65 was approximately \$8,000

OAS

- Typically starts at age 65
- If you earn more than a set limit in retirement, you may need to pay back some or all your OAS
- You need to meet certain residency requirements to qualify for OAS
- Currently, the maximum annual OAS benefit is \$7,290. This amount is updated 4 times per year to reflect inflation.
- This amount may increase if you meet certain income criteria

For more information and to find out how much you may receive, visit www.canada.ca.

Planning for retirement

The best thing you can do for your retirement is to start planning today. Take the time to consider your ideal retirement, how much you will need to budget for it, and how you will save to finance your goal.

If you are unsure where to start, consider speaking with a financial advisor. An advisor can help you understand all your possible sources of income and how they work together. FP Canada can help you find a **certified financial planner** if you do not already have one. For more information, visit fpcanada.ca.

Are you a pensioner returning to work?

If you are a pensioner returning to work, your pension payments will continue but you won't earn additional service – by law, you are not allowed to earn service while you are receiving a pension from the plan. Your employer will still be required to contribute as per the collective bargaining agreements.

Get FREE financial support – through your Employee and Family Assistance Program (EFAP)

Did you know that you, your spouse and your dependents can get free, unbiased, independent financial and retirement planning support through your EFAP? It is a confidential service, and can provide you with helpful budgeting, debt management and savings tools. To get started, call 1-844-880-9142, available 24/7!

Your trustees

Jessie Gregory (Chair) Kootenay	Chris Wasilenchuk Vancouver & Lower Mainland	Barbara Bachmeier Central	Michele Banducci Vancouver & Lower Mainland	Blair Rawlings Thompson Okanagan	Mikael (Mike) Jensen Northwest	Shawn Delaney Vancouver Island
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*Jessie Gregory has replaced Chris Wasilenchuk as the chair of the board and Blair Rawlings has replaced outgoing Trustee Dirk Campagnolo for the Thompson Okanagan region.



Please contact the CMAW Target Pension Plan administration office for questions:

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