

Carpentry Workers' Pension Plan of BC



PENSION PLAN AT-A-GLANCE

Your pension plan is a Target Benefit Plan that provides you with a lifetime monthly pension when you retire – which means it's an important part of your retirement savings.

This document is designed to provide you with a broad overview of the plan and its key features. For more details on the plan, check out the plan website at www.cwbp.ca.

How the plan works



Joining the plan

- You have to be a member of a participating local union, and
- You have to be covered under the terms of a collective agreement that requires your employer to make contributions to the plan.



Your employer pays for the plan

Your employer pays the full cost of providing the plan – for every hour you work, your employer contributes a negotiated amount to the plan.



Collect your pension at retirement

When you retire, you receive a lifetime pension based on the number of hours you worked each year while a member of a participating local union.

How much you can expect at retirement

Your pension from the plan is determined based on the hours you worked as a plan member and the pension accrual rate in effect at the time those hours were worked. Since the plan is a Target Benefit Plan, your accrued pension may be adjusted upwards or downwards in the future depending on the financial situation of the plan.

Since July 1, 2017, your pension from the plan is calculated based on an accrual rate of 5.4¢ per hour worked. The 5.4¢ accrual rate is based on the standard contribution rate – it may be different for you depending on your collective agreement. Since the plan is a Target Benefit Plan, the 5.4¢ accrual rate may change in the future to ensure the plan remains sustainable.

You will receive a full pension benefit if you retire at age 65. If you retire before age 65, your pension will be reduced to reflect the longer payment period (see: “When you can retire”).

Let your statement do the math!

Check your annual pension statement to see an estimate of your pension at age 65. This estimate is based on the pension you’ve earned to date. You’ll receive your statement in the mail each year.

An example

Meet John, age 65 at retirement	Pension formula	Monthly pension calculation
Monthly pension benefit for service prior to July 1, 2011: \$150	Pre-July 1, 2011 pension	\$150
	+	+
Hours worked from July 1, 2011 to June 30, 2017: 12,000	July 1, 2011 to June 30, 2017 pension: (Hours worked) x (5¢ accrual rate)	12,000 x 5¢
	+	+
Hours worked after June 30, 2017: 6,000	Post-June 30, 2017 pension: (Hours worked) x (5.4¢ accrual rate)	6,000 x 5.4¢
		=
		\$1,074
John's monthly pension: \$1,074 (payable at age 65) John's annual pension: \$12,888 <i>It's important to note that your pension benefit will be different than the example and will be subject to income tax.</i>		

When you can retire

Choosing when to retire is a personal decision, but before you decide, you should consider the impact on your pension. Your options for when you can retire are as follows:

- **Normal:** Your “normal” retirement date is the first of the month following your 65th birthday. If you retire on your normal retirement date, you will receive your full pension (without reductions).
- **Early:** You can retire on the first of any month following your 55th birthday. However, your pension will be reduced by 0.5% for each month your retirement date falls before your 65th birthday. Your pension is reduced to reflect the longer payment period.
- **Postponed:** You can postpone your retirement up to December 1 of the year of your 71st birthday. You will continue to accumulate pension benefits until that time.

Accrual rate

Used to calculate the pension you earn for each hour worked. It can go up or down depending on how much money your employer contributes to the plan and the financial health of the plan.

The accrual rates shown are based on standard contribution rates – if the negotiated contribution rate for your employer is different than the standard contribution rate, your accrual rate will be prorated accordingly.

Ready to retire?

- Your pension payments do not begin automatically – you must apply.
- To reduce the gap between your regular paycheque and your pension payments, you should apply approximately three months before your intended retirement date.
- When you are ready to apply for retirement, contact the plan administrator at 1-844-366-2629 to get the necessary forms and further information on the process to retire.
- At that point you'll have several options for your pension payments. Your choice will affect how much will go to your spouse, beneficiary or estate after your death. For more information about payment options, visit the plan website at www.cwbp.ca.

What happens if you...

Stop working for a participating employer before you turn 55	If you work fewer than 350 hours over two consecutive plan years, you will no longer be an active plan member. You will receive a termination statement where you can elect to receive a deferred pension or a lump sum payment.
Change jobs	Even if you change jobs, you remain a member of the plan – as long as you remain a union member and meet applicable active status requirements.
Become disabled	<p>If you become totally and permanently disabled, you are eligible for a disability pension if you:</p> <ul style="list-style-type: none">• Have at least 17,500 hours of covered employment,• You are entitled to a disability pension under the Canada Pension Plan,• You have been totally and permanently disabled, without interruption, for at least 6 months, and• You're under age 65. <p>Your disability pension is equal to the pension that you earned up to the date you became disabled. Your pension will not be reduced because of your age (before age 65) and it will be paid to you for your lifetime as long as you remain totally and permanently disabled.</p>
Die before retiring	<p>If you have a spouse, he or she can choose either:</p> <ul style="list-style-type: none">• A lifetime pension that can be provided with the lump-sum value of the death benefit, or• A lump-sum payment of the death benefit. <p>If you don't have a spouse, your beneficiary (or estate, if you don't have a beneficiary) will receive the total value of your pension as a lump-sum cash payment, subject to withholding tax.</p>
Die after retiring	If applicable, your pension will be paid to your spouse, beneficiary or estate according to the payment option you selected at retirement.
Return to work	If you are a pensioner returning to work, your pension payments will continue but you won't accrue additional service. Your employer is still required to contribute to the plan to ensure the plan remains sustainable.



Please contact the Carpentry Workers' Pension Plan of BC administration office at:

#1000 – 4445 Lougheed Hwy.
Burnaby, BC
V5C 0E4 Canada

Toll Free Phone: 1-844-366-2629
Website: www.cwbp.ca
Email: cmaw@bgbenefitsadmin.com