Saskatchewan
RWDSU PENSION PLAN

PENSION PROGRAM GUIDE

May 2016

Pension Program Guide for
Members of the Saskatchewan
Retail, Wholesale and Department
Store Union Pension Plan (SRWDSU)

May 2016

This *Guide* contains an overview and details of the Saskatchewan Retail, Wholesale and Department Store Union (SRWDSU) Defined Benefit and Defined Contribution Pension Plan. The contents are designed to inform members of Plan details. However, if there is a question of interpretation about the information presented in this *Guide*, the official Plan documents and any legislated requirements will prevail.

May 2016

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INTRODUCTION

Though retirement may be a long way off for some, for others it's just around the corner. The more you prepare for it during your working life, the better off you'll be once it arrives. This booklet is designed to help you to prepare for your retirement; it

- ⇒ Offers an overview and details of the Pension Plan for members of the Saskatchewan Retail Wholesale and Department Store Union Pension Plan (SRWDSU);
- ⇒ Includes all Plan amendments in place as of May 2016; and
- ⇒ Replaces all previous booklets and serves as your reference guide for the SRWDSU Pension Plan going forward.

This Plan is provided to you as a result of the Collective Agreement between the SRWDSU and your Employer. While the pension you earn as a member of this Plan may provide a retirement income for you and your spouse at retirement, remember, it is not designed to replace your current working income. Other sources of income during retirement include government benefits (Canada Pension Plan and Old Age Security) and any personal savings you may have such as Registered Retirement Savings Plans or other investments. Please see the section entitled *Registered Retirement Savings Plan (RRSP) Contribution Room* for more information on how your membership in the SRWDSU Pension Plan impacts your RRSP contribution room.

A Board of Trustees consisting of equal numbers of Company and Union representatives administer your Plan. The Plan Text and Trust Agreement cover many important aspects of the pension arrangement; however, several features must be emphasized:

- ⇒ The assets held under the Plan are for the benefit of members and others with entitlements to the Plan (i.e. spouses and beneficiaries).
- ⇒ The benefits you ultimately receive can be impacted by changes over time in the level of Plan assets and liabilities.

In addition to this booklet, you can expect to receive a personalized annual statement by June 30 each year indicating the accumulated value of your pension benefit under the SRWDSU Plan. If you have any question about this booklet, or about your annual statement, please contact Coughlin & Associates Ltd. – the Plan Administrator Toll Free at 1-888-716-4422 or at webmaster@coughlin.ca .

The highlights of the Pension Plan illustrated in this booklet do not create or confer any contractual or other rights. It is intended for information only. The Plan is subject to amendment and modification from time to time at the Board's discretion as circumstances warrant. All rights and obligations with respect to the Plan will be governed by the official Plan documents and applicable regulation of the Saskatchewan Pension Benefits Act, the Canada Revenue Agency, and the Income Tax Act.

Plan Registration Number Federal/Provincial: 0435693

GLOSSARY OF TERMS

Benefit Rate: A factor used to calculate the rate at which you earn pension benefits. It is based on an agreed upon funding rate. Benefit rates change from time to time on the Trustees' review of Plan assets and liabilities.

Canada Pension Plan (CPP): A government-sponsored program. Benefits are based on the length of time you contribute to the Plan and earnings during each month of participation.

Credited Service: Used to calculate pension benefits. Service is credited according to the number of hours you work in a Plan Year (January 1^{st} to December 31^{st}). Your credited service is the sum of your Past Service and your Membership Service. A **break in credited service** occurs on the date you cease to be employed with any Employer required to make contributions to the Plan, or at your option, on the last day of the second consecutive Plan Year in which you worked less than 600 hours.

Commuted Value: The amount of an immediate lump-sum payment estimated to be a fair and representative value of a future series of periodic payments.

Defined Benefit (DB) Pension: The retirement program jointly administered by Trustees appointed by your Union and your Employer. At retirement it can provide a lifetime benefit for vested members. The benefit you receive will be determined by your credited service, the applicable benefit rate for each year of your credited service and the assets of the Plan.

Defined Contribution (DC) Pension: This Plan works like a bank account in that you contribute to a personal account in your name. It is invested and is expected to grow through a combination of additional contributions and investment returns. At retirement, you will have the full value with which to provide retirement income.

Life Annuity: An annuity is a lifetime pension purchased through a contract with an insurance company. There are many types of annuities. The amount of monthly pension payments you receive depends on the type of annuity selected, prevailing interest rates at retirement, and your age (and/or your spouse's age) when the annuity payments begin. The higher the interest rates are and the older you are when payments begin, the greater the monthly pension payments.

Locked-in Retirement Account (LIRA): An account that accepts transfers of locked-in pension funds (funds transferred from a Registered Pension Plan) to enable your pension assets to continue to grow on a tax-sheltered basis.

Membership Service: Your years of membership service are based on the number of years you have been a Plan member after your Employer's date of entry to the Plan and is dependent on the number of hours you worked in each of those years.

Old Age Security (OAS): A government-sponsored program that provides income in retirement. Benefits are based on Canadian residency requirements and are dependent on your income at retirement.

Past Service: Past service is service prior to the date your Employer first commenced contributions to this Plan. Years of past service are credited for your work for an Employer who now has, or once had, a Collective Agreement with the Union, including your work with a predecessor company. In order to qualify for past service credits, you must have been employed with an Employer on the effective date of the Employer's entry into this Plan. The amount of past service credited for a year depends on the hours you worked in that year.

For Employers who were under the Food Industry Division immediately prior to the merger (i.e. SYSCO (formerly SERCA Scott National) and Westfair Foods), no more than 20 years of past service are counted.

For Employers who were under the Initiating Employers Division immediately prior to December 31, 1995 (i.e. Canada Safeway and Macdonalds Consolidated), no past service is granted for years of employment prior to 1961.

Pension Adjustment (PA): When the Canada Revenue Agency (formerly Revenue Canada) determines your RRSP contribution room, it makes an adjustment to reflect your participation in a Registered Pension Plan, known as a Pension Adjustment (PA). Your PA affects the maximum allowable contribution you can make to your RRSP. Your PA is included on the T4 you receive each year.

Plan Year: A Plan Year is a twelve-month period beginning January 1st and ending December 31st except for the year you joined the Plan. In your first year of membership, your Plan Year is the period between your date of entry and December 31st of the same year.

Registered Retirement Income Fund (RRIF): A tax-sheltered account designed to pay out your accumulated pension assets in your retirement. You select the investments in which to invest your RRIF and you determine the amount of income you draw out each year (subject to a minimum annual withdrawal amount). While there is no restricted maximum amount that can be withdrawn each year, all funds withdrawn from the RRIF must be included as income for tax reporting for that year.

PLAN HIGHLIGHTS

Following are some of the highlights of your pension program:

⇒ The SRWDSU Pension program is comprised of two components: a Defined Benefit (DB) Plan which your Employer contributes to on your behalf, and a Defined Contribution (DC) Plan to which you contribute.

⇒ You are automatically a member of the Plan if you are an employee covered by a collective agreement or participation agreement requiring contributions to the Plan. There is no waiting period to become eligible.

⇒ If you leave the SRWDSU Pension Plan before being eligible for early retirement, you are no longer employed under the SRWDSU Collective Agreement and you are vested, then you are entitled to transfer the commuted value of your pension benefit. You can transfer it to a locked-in retirement vehicle (i.e. LIRA, Life Annuity, or another Registered Pension Plan) or choose to leave the benefit in the Plan and begin receiving pension benefits when you reach age 65.

⇒ For the DB component of the program, the amount of monthly pension you will be entitled to at retirement depends on many factors, including: your credited service, the benefit rate under which you earned accrued pension benefits, and when you decide to retire. See *When You Can Retire* for more details on pension amounts at retirement.

⇒ You are always entitled to receive the contributions – and any investments returns – you made to the Defined Contribution (DC) Plan if you leave the Pension Plan before retirement, regardless of your length of service.

⇒ Normal retirement age is 65; however, you can retire as early as age 55 with a reduced DB pension, or as late as age 71.

⇒ Your DC account value at termination or retirement depends on your contribution rate, investment returns on your account, and the length of time the money has been invested. See *When You Can Retire* for more details on how the program works.

⇒ *Payment Options* provides information on what you can expect:

- At retirement,
- If you die, or
- If you become disabled.

ELIGIBILITY

You are automatically a member of the Plan if you are an employee covered by a Collective Agreement or participation agreement requiring contributions to the Plan. There is no waiting period to become eligible.

CONTRIBUTIONS

Employer – Defined Benefit (DB)

Your Employer makes contributions to the Defined Benefit (DB) component of the Plan in accordance with the Collective Agreement. These contributions are used to fund the retirement income for all members. At times, there may be a need for Employee contributions to be directed to the DB component to assist the long-term funding stability of the Pension Plan. Currently, Sobeys employees contribute $0.27 per hour to the DB component.

Member – Defined Contribution (DC)

Your contributions to the Plan are directed to a Defined Contribution (DC) account set up in your name. Contributions are deducted from your pay. Currently, SYSCO employees contribute 4%, 8%, or 10% of their earnings and Sobeys employees contribute at a rate of $0.13 per hour worked.

Where do the contributions go?

Contributions made by your Employer are directed to the Defined Benefit (DB) component, and your personal contributions are directed to the Defined Contribution (DC) component of the Plan in an account in your name.

Are my contributions to the Plan tax effective?

Yes. The amount you contribute to the Pension Plan is deducted from your gross pay, before income tax is calculated. Once your Pension Plan contribution is deducted, the amount of gross pay on which your income tax rate is based is reduced; therefore, you pay less tax.

VESTING

Vesting refers to your right to receive your pension benefit at retirement or if you leave the Pension Plan. Under the SRWDSU Pension Plan, for service after January 1, 1994, you are vested once you have completed two years of continuous service on or after January 1, 1994. For service before January 1, 1994, you are vested once:

⇒ You have at least five years of credited service, or
⇒ Your age and years of credited service (combined) total at least 45.

There are no vesting requirements for the DC Plan, and as a result, you are always entitled to receive the contributions you made to the DC Plan (as well as any investment returns) should you retire or decide to leave the Plan before retirement.

What is an accrued pension benefit?

An accrued pension benefit – in the case of this Defined Benefit (DB) Plan – is the benefit you have earned to date and depends on your credited service (hours of work) and the benefit rate in effect. Your annual pension statement includes information on your accrued pension benefit.

HOW THE PLAN WORKS

Your pension from this Plan will be the total of benefits received from both the Defined Benefit (DB) and Defined Contribution (DC) components of the Plan. Details on how those amounts are determined are outlined below.

Defined Benefit Plan (DB)

Upon retirement, on or after age 65, your monthly pension will be the sum of your monthly past service pension plus your monthly membership service pension. Both amounts are determined by multiplying your credited service by the appropriate benefit rate for each year. Details, as well as examples, are provided below.

What is past service?

Past service is service prior to the date your Employer first commenced contributions to this Plan. In order to qualify for past service credits, you must have been employed with an Employer on the effective date of the Employer's entry into this Plan.

Your DB pension is based on …

Monthly Past Service Benefit Rate X Past Service Credits

+

Monthly Service Benefit Rate X Membership Service Credits in each year of participation

↓

Defined Benefit Pension

Credited Service

The sum of your past service and your membership service is your credited service. Service is credited according to the number of hours your work in a Plan Year (January 1st to December 31st).

For **Plan Years ending on or before December 31, 1998** the Plan uses the following table to determine credited service:

Hours of Employment	Credited Service (years/fractions of years)
Less than 600	0
600 – 999	1/4
1,000 – 1,399	1/2
1,400 – 1,799	3/4
1,800 or over	1

For **Plan Years starting on or after January 1, 1999,** the Plan uses the following table to determine credited service:

Hours of Employment	Credited Service (years/fractions of years)
Less than 300	0
300 – 599	1/8
600 – 799	1/4
800 – 999	3/8
1,000 – 1,199	1/2
1,200 – 1,399	5/8
1,400 – 1,599	3/4
1,600 – 1,699	7/8
1,700 and over	1

Benefit Rates

Benefit rates are used to calculate the pension benefits you earn. The rates are based on an agreed upon accrual rate per hour worked. Benefit rates change from time to time based on the Trustees' review of Plan assets and liabilities.

The following table outlines current benefit rates.

For members employed at SYSCO	Benefit Rate
October 1, 2012 onward	$32.18
For members employed at Canada Safeway	
October 1, 2012 onward	$22.88

Historical maximum monthly benefit rates for members employed at divisions of SYSCO are illustrated below:

Past service benefit rates:	Benefit Rate*
For members who pass the 600 hour test** on or after December 31, 1989	$23.50
For members who do not pass the 600 hour test** on or after December 31, 1989	$20.58

Membership service benefit rates:	
If a break in service occurs before January 1, 1988	$9.32 (service before break) $21.00 (service after break to December 31, 1989)
If a break in service occurs after January 1, 1988	$21.00 (service to December 31, 1989)
January 1, 1990 – December 31, 1998	$26.00
January 1, 1999 – December 31, 2000	$27.00
January 1, 2001 – December 31, 2003	$35.00
January 1, 2004 – December 31, 2004	$37.20
January 1, 2005 – October 31, 2009	$38.90
November 1, 2009 – September 30, 2012	$35.75

* Effective November 1, 2009, all prior accrued service benefit rates (past and membership benefit rates) were reduced by 8%. Furthermore, effective October 1, 2012, all prior accrued service rates (past and membership benefit rates) were again reduced by 10% (however, by only 5% for retirees).

Historical maximum monthly benefit rates for members employed at divisions of Canada Safeway are illustrated below:

Past service benefit rates:	**Benefit Rate***
For members who pass the 600 hour test** on or after December 31, 1989	$31.25
For members who do not pass the 600 hour test** on or after December 31, 1989	$29.25
Membership service benefit rates:	
Before January 1, 1988	$23.25
January 1, 1988 – December 31, 1989	$31.25
January 1, 1990 – December 31, 1998	$35.25
January 1, 1999 – December 31, 2002	$35.00
January 1, 2003 – October 31, 2009	$30.25
November 1, 2009 – September 30, 2012	$26.00

* Effective November 1, 2009, all prior accrued service benefit rates (past and membership benefit rates) were reduced by 14%. Furthermore, effective October 1, 2012, all prior accrued service rates (past and membership benefit rates) were again reduced by 12% (however, by only 6% for retirees).

Benefits are based on the current and projected assets of the Fund and are not guaranteed entitlements.

** You will satisfy the 600 hour test if you have worked 600 or more hours in any two consecutive Plan Years on or after December 31, 1989. Hours worked while employed with Estevan Fine Foods and Weyburn Family Foods are not eligible.

Defined Contribution (DC)

Upon retirement, you will also have your individual DC account with which to provide retirement income. The value of your account at retirement is determined by the amount you contributed plus any investment returns generated, less any expenses incurred as a result of the operation and administration of the Plan. Currently, your contributions (which are deducted from your pay) are 4%, 8%, or 10% of earnings for SYSCO employees and $0.13 for every hour worked for Sobeys employees.

How Your Defined Contribution (DC) Account is Invested

Your contributions to the Defined Contribution (DC) component of the Plan are invested in a Balanced Fund managed by a professional investment manager. A Balanced Fund is typically a mix of Canadian and foreign stocks, bonds and short-term investments. The fund manager continually adjusts the mix to take advantage of market conditions. The objective of a Balanced Fund is to provide long-term capital appreciation. Market conditions affect the value of the stocks and bonds and cause fluctuations over time. However, the fluctuations are tempered somewhat by holding many different types of investments with varying levels of associated risk – known as diversification. Key advantages of this fund include an expectation of long-term capital appreciation and the knowledge that a professional investment manager makes the decisions on the asset mix and security selection.

Your DC contributions will be allocated to the fund described above. Alternatively, if you are approaching retirement (i.e. age 50 and over) you may wish to consider transferring your assets to a lower-risk Balanced Fund. This lower-risk fund will continue to offer moderate growth, but may reduce year-to-year volatility in returns.

Members age 50 and over will have the option each January 1st to transfer their assets to the lower-risk fund. If you choose this option, your decision is final and irrevocable. The Plan Administrator will advise you of your eligibility to exercise this option. At age 60, the value of your account will automatically be transferred to the lower risk fund unless you indicate otherwise. The Plan Administrator will, once again, contact you to exercise this option.

The investment return credited to your account is determined by the returns generated by the Balanced Fund, or the lower-risk Balanced Fund if you selected this option. Each year the investment return, minus any expenses incurred by the DC Plan, is reported to you on your annual statement.

PENSION EXAMPLES

1. SYSCO

Defined Benefit (DB)

Let's assume Sue works for SYSCO. During the year 2015 she works 1,400 hours. Here's how her DB pension amount for that year would be calculated:

⇒ Credited Service (based on hours worked) x Benefit Rate x 12 months = Annual pension amount

⇒ .75 x $32.18 x 12 = $289.62

Sue's DB benefit amount is $289.62 for 2015, or $24.14 per month. This amount is added to her accumulated balance and is reported on her personalized pension statement each year.

Defined Contribution (DC)

Assuming Sue makes $25,000 in 2015 and has elected a 4% contribution rate, here's how we would calculate her yearly contribution to the DC component of the Plan:

⇒ Earnings x 4%

⇒ $25,000 x .04 = $1,000

Sue contributes $1,000 in 2015 to the DC component of the Plan. This amount is added to her accumulated DC balance and is reported on her personalized pension statement each year.

2. SOBEYS

Defined Benefit (DB)

George works for Sobeys. During the year 2015 he works 1,640 hours. Here's how his DB pension amount for that year would be calculated:

⇒ Credited Service (based on hours worked) x Benefit Rate x 12 months = Annual pension amount

⇒ .875 x $22.88 x 12 = $240.24

George's DB benefit amount is $240.24 for 2015, or $20.02 per month. This amount is added to his accumulated balance and is reported on his pension statement each year.

Defined Contribution (DC)
As noted above, in 2015, George worked 1,640 hours. Here's how we would calculate his contributions to the DC component of the Plan:

⇒ Hours x $0.13
⇒ 1,640 x $0.13 = $213.20

George contributes $213.20 to the DC component of the Plan in 2015. This amount is added to his accumulated balance and reported on his annual pension statement.

WHEN YOU CAN RETIRE

Defined Benefit

Under the DB Plan, you can decide to retire at any age between age 55 and 71. However, keep in mind that if you choose to retire from the Plan, you must begin receiving pension benefits from the DB Plan **and** withdraw your retirement benefits from the DC Plan at the same time.

Normal Retirement
Normal retirement is the first day of the month coincident with or next following the date you turn age 65.

Early Retirement
If you choose to retire before age 65 your pension will be reduced to account for the longer payout period. Your pension will be reduced by 1/2% for each month from your retirement date to age 65.

Postponed Retirement
You may postpone your retirement until the end of the calendar year in which you reach age 71. You will continue to accumulate pension benefits and your pension will be paid according to the appropriate pension formula.

Retirement Age

Normal retirement age is 65. If you prefer, you can choose to receive a reduced pension as early as age 55, or if you continue working, you can contribute to the Plan up to age 71.

Once you turn age 65, you may choose to retire from the Plan and collect your pension benefits while continuing to work. Prior to age 65, you must terminate employment if you wish to start collecting your pension benefits. Termination of employment does not include a status change with an employer.

Defined Contribution

As with the Defined Benefit Plan, you can choose to retire any time between the ages of 55 and 71. There are no reductions to your DC account; you will have the full value of your account at retirement with which to provide lifetime retirement income.

Applying for Your Pension

In order to begin receiving benefits at retirement, you must apply for your pension by contacting the Plan Administrator. It is recommended that you provide at least two months notice of your intent to withdraw from the Plan. You, and your spouse, if applicable, may be requested to provide proof of age, such as a passport or birth certificate.

If You Retire and Then Return to Work

If you retire from the Plan and then decide to return to work with a contributing Employer, you must elect one of the following two options:

- ⇒ You may elect to stop receiving pension benefits and instead accrue additional pension benefits up to your new retirement date, but no later than the end of the calendar year in which you turn age 71, or
- ⇒ You may elect to continue receiving pension benefits. However, you will not accumulate additional benefits in the DB component of the Plan and will not be able to contribute individual contributions to the DC component of the Plan.

PAYMENT OPTIONS
- DEFINED BENEFIT (DB) -

SOBEYS Employees

If You Do Not Have a Spouse

The normal form of pension is payable for your life, subject to a 10-year guarantee. Under this guarantee, if you die before receiving 120 monthly payments, any excess payments will be paid to your beneficiary or to your estate if there is no designated beneficiary. After the expiry of this 10-year guarantee, payments cease.

If You Have a Spouse

The normal form of pension is payable for your life, subject to a 10-year guarantee. Pension legislation however states that your spouse must be included in distributing pension income. Therefore, if you have a spouse, your benefit is adjusted to the actuarial equivalent of the normal form of payment to provide a pension for your life, however, upon your death 60% of your pension amount continues to your spouse for his or her life. Your spouse has the option to waive this right to payment.

SYSCO Employees

If You Do Not Have a Spouse

If you do not have a spouse, the normal form of pension is payable for your life, subject to a 10-year guarantee. Under this guarantee, if you die before receiving 120 monthly payments, any excess payments will be paid to your beneficiary or to your estate if there is no designated beneficiary. After the expiry of this 10-year guarantee, payments cease.

If You Have a Spouse

Pension legislation states that your spouse must be included in distributing pension income. Therefore, if you have a spouse, the normal form of payment provides a pension for your life. Upon your death, two-thirds of your pension amount continues to your spouse for his or her life. Your spouse has the option to waive this right to payment.

Optional Forms of Payment

You can choose from a wide range of payment options which include payment guarantees of up to 180 months and payments to your spouse of up to 100% of your pension amount after your death. Your initial pension benefit amount will be reduced or increased depending upon the optional form of payment you select.

Can I withdraw any of my pension benefit in cash or take the whole amount in cash at my retirement?

No. the SRWDSU Pension Plan is registered under the Saskatchewan Pension Benefits Act and, as such, your pension benefits are locked in. This means the funds must be ultimately used to provide retirement income and cannot be withdrawn as cash. If you are under age 55 at the time of your termination, you may transfer the commuted value of your benefit to a LIRA (Locked-In Retirement Account – see next page).

As well, lump-sum cash settlements are not allowed with this Plan unless the commuted value of your pension entitlement is less than 20% of the Yearly Maximum Pension Earnings (YMPE) as defined by government legislation (in 2009, the YMPE is $46,300) or your annual pension benefit is less than 4% of the YMPE. The Plan Administrator will advise you upon your retirement or termination if you are entitled to a lump-sum payment.

Can I name someone other than my spouse as my beneficiary?

Your spouse, legal or common law, is automatically designated as your beneficiary for this Plan – as per applicable legislation under the Plan – and will receive a benefit upon your death unless your spouse/ waives his or her right to this pension in writing. If your spouse wishes to waive entitlement, it must be done so prior to your death or commencement of pension payments. A common-law relationship is one where you and the person publicly represented as your spouse have lived together for at least one year.

PAYMENT OPTIONS
- DEFINED CONTRIBUTION (DC) -

At your retirement, the Plan Administrator will advise you of your final DC account balance. You then have a number of options to choose from to either provide an immediate retirement income or to continue to invest your account balance.

Life Annuity

A life annuity is an insurance contract that pays you a regular income for your lifetime. The benefit amount you will receive from an annuity is dependent on your account balance as well as annuity purchase rates. Annuity purchase rates are affected by interest rates at the time of purchase, your age and, if applicable, your spouse's age.

Locked-In Retirement Account (LIRA)

A Locked-In Retirement Account provides a tax-sheltered vehicle in which your retirement savings can continue to grow. You select the investments (i.e. GIC's, mutual funds, etc.) in which you would like your LIRA invested. At the time you wish to begin collecting a retirement income you must then transfer the balance of the assets in your LIRA to either a Registered Retirement Income Fund (RRIF) and begin drawing a retirement income (refer to RRIF definition in Glossary of Terms) or to a Life Annuity (refer to above). Please note that if you decide to transfer the assets from your LIRA to a RRIF, your spouse must sign a waiver consenting to waive his/her entitlement to your pension benefits.

Can I find out what the value of my pension benefit will be prior to terminating my employment?

No – it is difficult to predict. Many factors will affect the amount of pension you receive from the DB and DC components of the Plan.

While you're working, consider that your DB pension benefit changes every year depending on the number of hours you work and the applicable benefit rate. In the case of the DC component, the benefit you accumulate depends on how much you work (i.e. earnings or number of hours) and investment returns generated each year.

Come retirement, the age at which you retire will affect your benefit. For your DC account, the amount of pension you receive will depend on current market conditions. For example, if you choose to convert your DC account to a life annuity at retirement, prevailing interest rates (among other factors) will affect the amount of annuity you can buy.

Therefore, a reliable value cannot be calculated for your pension until your membership ends.

WHAT HAPPENS IF…?

You Leave the Plan Before Retirement

If you are not vested (see page 25 for description of vesting)…
If you are not vested and you leave the SRWDSU Pension Plan, you will receive a refund of your contributions to the DC Plan, as well as any employee contributions made to the DB Plan, plus investment returns.

If you are vested…
If you leave the Plan before retirement, you have two choices for your vested pension benefit.

⇒ You can defer your pension by leaving it in the Plan. You will be paid a monthly pension when you reach retirement age. If you choose to take your pension before age 65, it will be reduced depending upon your age when you retire. Please see the description of *Early Retirement* beginning on page 15 for further information.
⇒ If you are under age 55, you can transfer the commuted value of your earned pension benefit.

You have the following options for your commuted value:

⇒ Purchase a deferred life annuity.
⇒ Transfer the value to
- A Locked-In Retirement Account (LIRA) which you invest and which holds your pension funds until you are eligible to retire, or
- Your next employer's pension plan, if that plan permits.

If you transfer from one contributing Employer to another and continue to work enough hours so that there is no break in service, your membership in the Plan will continue. Your pension benefits to the date of transfer will be maintained under the Plan until the earlier of retirement, death or termination of membership.

If you transfer to another contributing Employer, but in a position outside of the bargaining unit for that Employer, you will not earn any benefit amounts, but will continue to accrue service for vesting purposes.

According to my annual statement, my accrued pension has a significant value. Can this be used as collateral for a loan?

No. Benefits under a Registered Pension Plan cannot be used to guarantee a loan, nor can they be taken by creditors should you find yourself in financial difficulties. Pension legislation stipulates that vested funds in a pension plan are locked in. That doesn't mean they aren't yours; it means they must be used solely to provide retirement income for you and your spouse.

Your Spousal Relationship Breaks Down

In the event of a marriage or common-law relationship breakdown, any pension benefits may be divided pursuant to a separation or inter-spousal agreement regarding the division of family assets as determined by the Family Property Act. The division of a pension must not reduce the commuted value of the member's benefit prior to the division by more than 50%. If you are legally separated, your former spouse may continue to have benefit entitlement to your pension assets until you are divorced or have had a division of pension assets.

A Maintenance Enforcement Order (garnishment) has Been Served

Pension benefits may be garnished in the event that a member fails to make the appropriate support payments to a spouse or child(ren). The amount garnished cannot be greater than the total pension account value. The Plan Administrator must receive a court order to garnishee any benefit, and by law, is obligated to act on any court order received. In the case of a garnishment of pension benefits, members are charged a fee for the pension calculations needed to be performed to satisfy the court order. The Plan Administrator will notify you if your benefit is subject to any garnishee orders.

You Become Disabled Before Retirement

If you are disabled and are unable to work, you will continue to earn credited service as long as you are receiving Workers' Compensation, Auto Insurance Disability, Long Term Disability or Canada Pension Plan Disability benefits. Credited service will be based on the average hours you worked in the three Plan Years before you became disabled. You will continue to be credited with service while on Long Term Disability; however, no credited service will be awarded if you are on Short Term Disability.

You Die Before Retirement

If you die before retirement, or before starting to receive pension benefits, any pension benefits will be distributed as follows.

Defined Benefit (DB)
If you have spouse and you die prior to retirement, your surviving spouse will receive a commuted lump sum value. Your spouse can:

⇒ Used to provide an immediate or deferred life annuity from the Plan,
⇒ Transferred to his/her Registered Retirement Savings Plan RRSP or prescribed Registered Retirement Income Fund (PRIF),), or
⇒ Receive a cash lump sum.

Should your spouse not make an election within 180 days, your spouse will receive a lump sum payment.

On Spousal Relationship break-down, your former spouse may continue to have survivor benefit entitlement unless you have had a divorce or a division of pension assets.

If you die without spouse, the commuted value of the benefits earned to date will be paid in a lump sum to your beneficiary or estate.

Defined Contribution (DC)
If you have spouse, your account balance plus any related investment returns may be:

- ⇒ Used to purchase an immediate or deferred life annuity,
- ⇒ Transferred to his/her Registered Retirement Savings Plan RRSP or prescribed Registered Retirement Income Fund (PRIF), or
- ⇒ Received as a cash lump sum

Should your spouse not make an election within 180 days, your spouse will receive a lump sum payment.

If you do not have a spouse, your account balance will be paid to your estate or beneficiary in a lump sum.

It is very important to designate a beneficiary so that in the event of your death, your pension benefits will be distributed according to your wishes. **If you are legally married, or have declared common-law status, that person is automatically designated as your beneficiary under government legislation unless that person waives their entitlement on the prescribed form**. This form needs to be completed prior to your death. This person may revoke the waiver at any time before your death by delivering a written notice of revocation to the Administrator.

REGISTERED RETIREMENT SAVINGS PLAN (RRSP) CONTRIBUTION ROOM

Registered Retirement Savings Plans (RRSPs) can be an important part of your overall retirement savings strategy. They are also a good way to reduce your current taxable income, because the money you contribute is tax deductible. The following provides you with an overview of how your RRSP contribution room is affected by your participation in the Pension Plan.

Canada Revenue Agency (CRA) determines your annual RRSP contribution room using a set formula. Each year's RRSP room depends on your previous year's earned income and earned pension benefits as follows:

⇒ 18% of your previous year's earned income, up to $24,930 (CRA maximum)*, ***less***

⇒ Your Pension Adjustment (PA)** amount for both the DB and DC components as reported on your previous year's T4.

* *The CRA has established $24,930 as the maximum up to the end of 2015, in 2016 the maximum is $25,370. After that, the maximum is to be indexed.*

** *Your PA is the value the CRA assigns to your participation in a Registered Pension Plan. The formula used to calculate your PA under the DB plan is: PA = (Benefit Entitlement x 9) - $600. Your PA under the DC plan is your actual contribution for the year.*

RRSP Contribution Room Example

Continuing with the example of Sue (see Pension Example on page 14) who earns $25,000 in 2015, here's how we would calculate her approximate RRSP contribution room for 2015, based on her participation in both the DB and DC components of the Plan:

⇒ RRSP maximum: $25,000 x 18% = $4,500, **less**

⇒ DB component PA: $289.62 x 9* - $600 = $2,007, **less**

⇒ DC component PA; = $1,000

equals

⇒ RRSP contribution room = $1,493

* *The factor of nine in the DB PA calculation is determined by CRA. It assumes that it costs approximately $9 today to provide $1 of annual pension at retirement.*

We know that Sue may have approximately $1,493 of RRSP contribution room for the 2016 tax year, not including any carry-forward RRSP room.

Carry Forward Unused RRSP Contribution Room

You are permitted to carry forward any unused RRSP contribution room you may have accumulated.

GOVERNMENT BENEFITS

In addition to pension benefits and any personal savings you have accumulated at your retirement date, there are two government plans from which you may receive benefits. It is important to note, however, that these benefits may be modified by the time you retire.

Canada Pension Plan (CPP)

In its current form, CPP provides a lifetime pension based on the length of time you have contributed to the Plan and your earnings during each month of participation. In 2016, the maximum monthly pension payable at age 65 is about $1,092.50 per month or about $13,110 per year. If you retire early, you may apply for a reduced pension any time after your 60th birthday. Your pension will be reduced by 1/2% for each month (6% per year) that your CPP payments begin prior to your 65th birthday. For example at age 60, provided you were eligible for the maximum pension amount, you would receive about $764.00 per month ($9,168 per year). Your CPP benefits will be adjusted at the beginning of each year to reflect increases in the Consumer Price Index.

Old Age Security (OAS)

Currently, OAS provides an additional lifetime monthly pension staring at age 65. The maximum benefit payable as of January 1, 2016, is about $570 per month or about $6,840 per year. To be eligible for the maximum pension you must meet certain residency requirements, otherwise you may qualify for a reduced pension.

Depending on your total annual income during retirement, you may have to repay a portion of your OAS benefit. Though this repayment used to occur at tax time (the term OAS “clawback” was coined for this reason) it is now deducted before it is paid to you based on your previous year’s income. For example in 2016, once your net retirement income exceeds $73,756, you must repay 15% of your net income over $73,756. If your income exceeds $119,398, the maximum OAS benefit will be deducted.

PENSION PLAN AT-A-GLANCE

Plan Provisions	Defined Benefit (DB) Component	Defined Contribution (DC) Components
Eligibility	No waiting period Employed by a contributing Employer	No waiting period Employed by a contributing Employer
Company Contributions	As per the Collective Agreements	N/A
Employee Contributions	Only if addressed in the Collective Agreement. Sobeys: currently $0.27 for every hour worked	SYSCO: 4%, 8% or 10% of your pay Sobeys: $0.13 for every hour worked
Vesting	- Two years continuous service on or after January 1, 1994 - Five years of credited service or age plus years of credited service total 45 for service prior to January 1, 1994	You are immediately vested in these contributions
Retirement Income	The income from your DB Plan is dependent on the benefits you accrued during each year of your participation in the Plan	You receive the full value of your DC account. The retirement income you derive from the account depends on Plan contributions, investment returns and your age at retirement (if a Life Annuity is selected)
Normal Form of Pension **SOBEYS**	With spouse at retirement: - Actuarial equivalent of Lifetime pension with a guarantee of 120 monthly payments, where surviving spouse will receive a lifetime pension equal to 60% of your pension amount upon your death Without spouse at retirement: - Lifetime pension with a guarantee of 120 monthly payments	Transfer DC Account value to: - Purchase a deferred life annuity. If you have a spouse, you are required by law to purchase a joint and survivor form of annuity with a minimum 60% spouse's benefit unless your spouse waives this requirement in writing - Transfer the funds to a RRIF

Plan Provisions	Defined Benefit (DB) Component	Defined Contribution (DC) Components
Normal Form of Pension **SYSCO**	With spouse at retirement: - Lifetime pension. Your surviving spouse will receive a lifetime pension equal to 2/3 of your pension amount upon your death Without spouse at retirement: - Lifetime pension with a guarantee of 120 monthly payments	Transfer DC Account value to: - Purchase a deferred life annuity. If you have a spouse, you are required by law to purchase a joint and survivor form of annuity with a minimum 60% spouse's benefit unless your spouse waives this requirement in writing - Transfer the funds to a RRIF
Retirement Dates	- Normal retirement age is 65 - You may receive a reduced pension as early as age 55 - You can postpone retirement and continue working up until age 71	You may retire as early as age 55, or as late as age 71
Investing	Funds are managed by a professional investment manager in accordance with the investment policy established by the Trustees	Contributions are invested in a Balanced Fund managed by a professional investment manager. For qualifying members (age 50 and over) approaching retirement, assets can be transferred to a lower-risk Balanced Fund option

DISCLOSURE OF INFORMATION

The regulations of the Saskatchewan Pension Benefits Act as administered by the Financial and Consumer Affairs Authority of Saskatchewan – Pension Division require that all Pension Plan participants be notified to the disclosure of information provisions set forth in certain sections of the Pension Benefits Act and Regulations.

A copy of the following information is available from the Plan Administrator subject to the payment of a reasonable fee to cover administrative expenses:

- ⇒ The Plan Text and any amendments
- ⇒ The Trust Agreement
- ⇒ The most recent Annual Information Return filed by the Board with the Pension Commission
- ⇒ The most recent Cost Certificate filed by the Board
- ⇒ The most recent Audited Annual Financial Statement
- ⇒ A list of assets included in the Financial Statements

KEEPING YOU INFORMED

Annual Statements

Each year, you will receive a personalized annual statement showing:

⇒ Credited Service earned in the preceding year;
⇒ Accumulated past service and membership service accrued to the end of the preceding year, including the accrued Defined Benefit payable at age 65;
⇒ Contributions you made during the preceding year;
⇒ Interest added to your DC account during the preceding year; and
⇒ The total of your DC account at preceding year end.

This statement will be mailed to your home address; therefore, it is important that you notify the Plan Administrator of any changes in your contact information.

Your Personal Information

When you become a member of the Pension Plan, the Plan Administrator, Coughlin & Associates Ltd., sets up a file with personal information relevant to your pension entitlement. The purpose of this file is to permit the Plan Administrator to administer all financial services provided to you. This includes the following:

⇒ Financial reporting, interest crediting and determining your pension benefit entitlement
⇒ Vesting status
⇒ Internal and external audits
⇒ Preparation of regulatory and statutory reports
⇒ Assisting members in retirement financial planning

You have certain rights of access and correction with respect to the information in your file. A request for access or correction can be made in writing and submitted to the office of Coughlin & Associates Ltd.

FOR MORE INFORMATION

For more information, contact the:

Plan Administrator
Coughlin & Associates Ltd.
Suite 100 – 175 Hargrave Street
Winnipeg, Manitoba R3C 3R8
Phone: (204) 942-4438
Toll Free: 1-888-716-4422
Fax: (204) 943-5998
Email: webmaster@coughlin.ca

Furthermore, to contact the Union Offices or Companies:

Regina Union Office
1233 Winnipeg Street
Regina, Saskatchewan S4R 1K1
Toll-Free: 1-877-747-9378
Phone: (306) 569-9311
Fax: (306) 569-9521
Email: rwdsu.regina@sasktel.net

Saskatoon Union Office
2154 Airport Drive
Saskatoon, Saskatchewan S7L 6M6
Toll-Free: 1-877-717-9378
Phone: (306) 384-9885
Fax: (306) 384-1006
Email: rwdsu.saskatoon@sasktel.net

Sobeys Western Canada
1020-64 Avenue NE
Calgary, Alberta T2E 7V8
Toll-Free: 1-800-723-3929
Phone: (403)730-3720
Fax: (403)730-3049

SYSCO Food Services of Regina
266 Dewdney Avenue East
Regina, Saskatchewan S4N 4G2
Attention: Director, Human Resources
Toll-Free: 1-800-723-3929
Phone: (306) 347-5200.
Fax: (306) 347-5232