

**THE OPERATING ENGINEERS'
PENSION PLAN**

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PLAN OFFICE

Room 402 - 4333 Ledger Avenue
Burnaby, B. C.
V5G 4G9

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FOREWORD

The Operating Engineers' Pension Plan was designed with the ultimate aim to provide you with a retirement income comparable to your earnings during your working career. The benefits provided by the Plan are in addition to the benefits provided by the Canada Pension Plan and Old Age Security.

The Plan was instituted on May 1st, 1970. Since that time, there have been many improvements to the benefits provided. Our ability to provide and to continue to improve the benefits depends upon the financial resources of the Plan.

We may change the Plan in future. You will be notified of all changes when they occur.

This Booklet provides you with a description of the benefits to which you and your dependents may be entitled from the Plan as it existed on May 1st, 2007, the rules covering eligibility for benefits and the procedures which would be followed in applying for benefits.

The Plan is registered with Revenue Canada under Registration Number 0573766.

The Plan is also registered under the Pension Benefits Standards Act of British Columbia under Registration Number P085512.

The purpose of this Booklet is to provide a summary of the Plan. Should there be any conflict between the wording used in this Booklet and the wording used in the Plan Text, the latter shall apply.

Your Board of Trustees

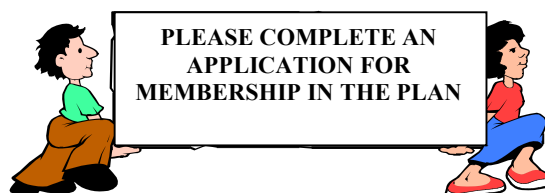
PART 1 - MEMBERSHIP IN THE PLAN

1. Who is eligible to become a member of the Plan?

Any person who is a member in good standing with Local 115, 115A, 115B, or 115C of the International Union of Operating Engineers (Union).

2. When do I become a member of the Plan?

On the first day of the month in which your application for membership is received by the Trustees and you are a member of the



Union.

3. Can a person who is not a member of the Plan become entitled to any benefits under the Plan?

No, not unless that person is the spouse or beneficiary of the member.

PART 2 - EARNING A PENSION

1. Is my employer required to contribute to the Plan?

Yes, if you are in a position covered by a collective agreement that requires your employer to contribute to the Plan.

2. Am I required to contribute to the Plan?

No.

3. Are the contributions made by my employer taxable?

No, these contributions are not added to your income and are therefore not taxable.

4. How do I earn a pension?

By having hours of covered employment reported and paid to the Plan by a participating employer during a Plan year.

5. What is a Plan year?

The period beginning May 1st in one year and ending on April 30th in the following year.

MAY 1ST TO APRIL 30TH = PLAN YEAR						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

PART 3 - SELF PAYMENTS

1. Can I make self-payments to increase the pension which I have earned during the Plan year?

Yes.

2. What are the requirements for making a self-payment?

You must have at least 100 but less than 3,000 hours of covered employment during the Plan year.

3. At what rate are self-payments made?

Self-payments are made at the rate per hour paid by your employer at the end of the Plan year, adjusted to reflect the actuarial cost of the self-payment based on your age.

4. What is the maximum number of hours of covered employment for which self-payments can be made in a Plan year?

A maximum of 3,000 hours of covered employment for the Plan Year.

5. If I die, can my spouse or beneficiary make this self-payment?

No.

6. When can a self-payment be made?

A self-payment for the Plan year will be accepted by the Administrator during the 4 months following the date your annual statement is mailed. Deadline for self-payments is December 31st.

7. Can I make a self-payment for the Plan year in which I retire?

Yes.

8. Can I claim my self-payments as a tax deduction?

Yes.

PART 4 - RETIREMENT DATES

1. What is my Normal Retirement Date?

Your normal retirement date is the first day of the month immediately following your 65th birthday.

2. What are the earliest dates I can retire and begin receiving my pension?

You may retire on the first day of any month prior to your normal retirement date provided you are age 55 or older and have completed at least 2 years of continuous membership in the Union.

If you are a member of the Union, you may retire if you have attained age 55 and completed at least 3 years of continuous membership in the Union and the Trustees determine you are totally and permanently disabled. Your disablement must have continued without interruption for at least 12 months.

3. What is the latest date I can begin receiving my pension?

December 1st of the year in which you attain age 71.

PART 5 - AMOUNT OF PENSION

1. How much pension will I receive if I retire on my normal retirement date?

The amount of pension will be calculated by adding together the amount of monthly pension which you have earned under the Plan in each Plan year. This total will be adjusted for the form of pension you choose.



2. How much pension will I earn for each Plan year?

On and after May 1st, 2007 – the amount of pension earned shall be equal to the sum of the amounts determined by separating the contributions paid into the Plan for the Plan Year into the following ranges and multiplying those separated amounts by the applicable percentages as indicated in the following table:

For Persons Who Became Members Of the Plan	
Contribution Range	Prior to May 1 st , 2007
\$0 - \$4,500	1.8%
\$4,501 - \$6,500	1.5%
\$6,501 - \$8,500	1.2%
≥ \$8,501	0.9%

For Persons Who Became Members Of the Plan	
Contribution Range	After April 30 th , 2007
\$0 - \$4,500	1.2%
\$4,501 - \$6,500	1.1%
\$6,501 - \$8,500	1.0%
≥ \$8,501	0.9%

3. How much pension have I earned to date?

Your latest annual statement provides the following information:

- (a) the total amount of monthly pension you earned in the previous Plan years.
- (b) the number of hours of covered employment credited to you during the most recent Plan year.

- (c) the amount of monthly pension you earned during the most recent Plan year, and
- (d) the total amount of monthly pension earned up to the end of the most recent Plan year.

Example of Pension Earned for Plan year 2008 and later:

For Persons Who Became Members Of the Plan Prior to May 1 st , 2007:			
Contribution Range	Applicable Percentage	Actual Contributions	Monthly Pension Earned
\$0 - \$4,500	1.80%	\$4,500	\$81
\$4,501 - \$6,500	1.50%	2,000	30
\$6,501 - \$8,500	1.20%		
≥ \$8,501	0.90%		
Total		\$6,500	\$111

For Persons Who Became Members Of the Plan After April 30 th , 2007:			
Contribution Range	Applicable Percentage	Actual Contributions	Monthly Pension Earned
\$0 - \$4,500	1.20%	\$4,500	\$54
\$4,501 - \$6,500	1.10%	2,000	22
\$6,501 - \$8,500	1.00%		
≥ \$8,501	0.90%		
Total		\$6,500	\$76

**REMEMBER!!
You must apply
for your Pension**



**Come in or
Phone the
Plan Office**

4. When will my pension be paid?

If you are eligible for a pension, your first pension cheque will be payable on the first day of the month following the month in which you apply and the Plan office has received all required documentation. Subsequent payments will be issued monthly thereafter.

5. What happens if I return to work after my pension has commenced?

Your pension may be suspended if you return to work for a Participating Employer.

Effective May 1st, 2007, a member who is in receipt of a pension other than a disability pension may return to work with a Participating Employer and continue to receive the pension if the Member has not attained the age of 65 or greater provided that the following conditions are satisfied and continue to be satisfied throughout the period of employment:

- (i) The Member remains a Member in good standing with the Union,
- (ii) The Member is registered for work on the Local Union's Retirees Out of Work List as a Member in receipt of a pension,
- (iii) The Member works less than 450 hours per Plan Year (May through April) as an Operating Engineer or,
- (iv) In the alternative to (iii) the Member works more than 450 hours per Plan Year as an Operating Engineer but written permission has been sought and granted from either the Administrator of the Plan or the Business Manager of the Local Union,
- (v) The Member must acknowledge and agree to in writing to the terms for return to employment prior to commencing work each Plan Year.

During the period of continued receipt of pension payments and the satisfaction of the above provisions, there will be no further accrual of pension.

Failure to comply with these conditions will result in the suspension of the payment of your pension and:

- (i) treatment of the period of return to employment with a Participating Employer in accordance with No. 7 below,
- (ii) for greater clarity the Plan can recover any overpayment of pension payments made during the period of return to employment.
- (iii) A Member who is in receipt of a disability pension from the disability portion of the Operating Engineers' Benefits Plan who returns to employment with a Participating Employer shall have the payment of the disability pension suspended and will accrue future pension from the date of employment forward.

Your pension will not be suspended if you return to employment totally unrelated to the industry in which you earned your pension.

Your pension will not be suspended if you have reached age 65.

6. For how long will my pension be suspended?

Until such time as you again retire. Your pension will recommence on the first day of the month immediately following receipt of your application for pension.

7. Will I earn further pension?

Yes, if return to employment is with an employer who contributes to the Plan, and you return to employment for more than 2 years, or if you are past age 65. You are required to complete a new enrollment card on the Plan.

No, if return to employment is with an employer who does not contribute to the Plan.

8. If I retire between the ages of 55 and 60 will my pension be reduced?

Yes.

9. How much will the reduction in pension be?

The amount of the reduction depends upon whether or not:

- (a) you are a member of the Union, and
- (b) you have completed at least 12 years of continuous membership in the Union.

If you are a member of the Union and are age 55 or older and have completed at least 12 years of continuous membership in the Union your pension will be reduced by $\frac{1}{4}$ of 1% for each complete month your retirement date precedes the first day of the month immediately following your 60th birthday.

If you are a member of the Union and are age 55 or older and have completed at least 3 years of continuous membership in the Union and the Trustees determine you are totally and permanently disabled your pension will be reduced by $\frac{1}{4}$ of 1% for each complete month your retirement date precedes the first day of the month immediately following your 60th birthday. Your disablement must have continued without interruption for at least 12 months.

If you are a member of the Union and do not fulfil one of these requirements, but have completed at least 2 years of continuous Plan membership, your pension will be reduced by $\frac{1}{2}$ of 1% for each completed month your retirement date precedes the first day of the month immediately following your 65th birthday.

If you are not a member of the Union, but have completed at least 2 years of continuous Plan membership, your pension

will be reduced by $\frac{1}{2}$ of 1% for each completed month your retirement date precedes the first day of the month immediately following your 65th birthday.

PART 6 - FORMS OF PENSION

1. In what form is a pension paid?

A pension is paid in either the Normal Form or an Optional Form.

2. What is the Normal Form of Pension?

If you do not have a spouse on the date your pension commences, a pension is paid for your lifetime or for 60 months, whichever is the longer period.

If you have a spouse, on the date your pension commences, you are paid a reduced pension for life. On your death, 67% of this pension is paid to your spouse for your spouse's remaining lifetime.

3. What is an Optional Form of Pension?

An Optional Form is a pension which you may choose instead of a pension payable for your lifetime or 60 months, whichever is the longer period.

This pension has the same value as a pension which is payable for your lifetime or 60 months, whichever is the longer period.



4. Can I choose an Optional Form of Pension at the date my pension commences?

Yes. If you are married your spouse must

sign a pension waiver form. This waiver must be completed and signed no more than 90 days prior to the date your pension is to commence.

If you are not married you must complete a Declaration form certifying you do not have a legal spouse.

5. What Optional Forms of Pension can be chosen?

The following are **some** of the Optional Forms of pension which may be chosen

- a) an increased pension payable for your lifetime, or
- b) a reduced pension payable for your lifetime or for 120 months, whichever is the longer period, or
- c) a reduced pension payable for your lifetime or for 180 months, whichever is the longer period, or
- d) a reduced pension payable for your lifetime. On your death 100% of this pension is paid to your spouse for life, or
- e) a reduced pension payable for your lifetime. On your death, 50% of this pension is payable to your spouse for life.

6. Can I change the form of pension I have chosen?

Yes, provided you do so before your first pension payment has been made.

PART 7 - DEATH PRIOR TO RETIREMENT

1. Will a benefit be paid on my death?

Yes, if you have completed at least 3 years of continuous membership in the Union, or 2 years of continuous Plan membership, whichever occurs first.

2. Who will the benefit be paid to?

The benefit will be paid to your spouse if you have a spouse at your date of death.

If you do not have a spouse the benefit will be paid to your beneficiary or estate, whichever is applicable.

3. What is the benefit?

If you are married, your spouse is entitled to an immediate pension. If the commuted value is chosen the benefit shall be at least equal to 60% of the commuted value you would have been entitled to on the day before your death.

Your spouse may choose a monthly pension which is payable:

- for life, or
- for life, guaranteed 60 months, or
- for life, guaranteed 120 months, or
- for life, guaranteed 180 months.

If you do not have a spouse, the commuted value of your pension is paid to your beneficiary or estate, whichever is applicable, in a single payment. If a minor is entitled to a lump sum payment the Administrator shall pay it to the Public Trustee in trust for the minor.

PART 8 - TERMINATION BENEFITS

1. When am I eligible for a termination benefit?

You are entitled to a termination benefit if you:

- (a) did not have any hours of covered employment reported during the 6 months immediately preceding the month in which you wish to terminate,
- (b) are not eligible to receive an immediate pension under the Plan, or

- (c) had less than a total of 350 hours of covered employment credited to you in the immediately preceding 2 Plan years.

2. What is the termination benefit if I have not completed at least 2 years of continuous membership in the Union or at least 2 years of continuous Plan membership?

You will receive a cash termination benefit equal to 100% of the self-payments you have made, if any, to the Plan for hours of covered employment on and after May 1st, 1992 plus interest from January 1st, 1993.

3. What is the benefit if I have completed at least 2 years of continuous membership in the Union or Plan and am not eligible to receive an immediate pension under the Plan?

If you meet the requirements in Part 8, Subsection 1(a) or (c):

- (a) for service prior to May 1st, 1992 you may elect to receive a lump sum cash termination benefit
- (b) for service on or after May 1st, 1992 if you elect a cash termination benefit this amount must be transferred to your personal "locked-in" R.R.S.P. or another Registered Pension Plan if the other Plan will accept the transfer and if this transferred amount is "locked-in", or to an insurance company or other savings institution prescribed under the Pension Benefits Act, to purchase a deferred retirement income.

4. Is a termination benefit payable if I am eligible to receive an immediate pension under the Plan?

No.

5. What happens if I do not elect a cash termination and am no longer a member

of the Union?

If you have been expelled or have withdrawn from the Union and you have been a Member in the immediately preceding 2 Plan Years, you will be entitled to a monthly pension commencing at your normal retirement date.

6. If I elect a paid-up pension commencing on my normal retirement date, what will be the amount of my pension?

If you have 2 years or more of continuous membership in the Union or Plan, your paid-up pension is 100% of the pension you have earned.

7. If I elect to receive a cash termination what will be the amount?

The amount of the cash payment will be actuarially equivalent to the value of the pension you have earned.

8. If I am entitled to a paid-up pension, and die before this pension commences, will my spouse, beneficiary or estate, whichever is applicable, receive a benefit?

Yes, if you have completed at least 3 years of continuous membership in the Union, or at least 2 years of continuous Plan membership.

PART 9 - BENEFICIARY

1. Who can I designate as my beneficiary?

Any person or persons, or your estate.

However, if you have a spouse, any benefits which become payable on your death are paid to your spouse. The payment of benefits to your spouse is not affected by your failure to designate your spouse as beneficiary.

2. Who qualifies as my spouse?

Your spouse means a person who, as at the date your pension commences, or your date of death, if earlier:

- (a) is married to you and who, if living separate and apart from you, did not live separate and apart for longer than the 2 year period before your death or retirement, or if there is no such person,
- (b) is living with you in a conjugal relationship, and has been living with you for at least two years before your death or retirement.

3. How do I designate or change my beneficiary?

You must complete the appropriate form, which is available from the Administrator.

4. What happens if I do not designate a beneficiary?

If you do not have a spouse, any benefits that become payable on your death will be paid to your estate.

5. What happens if my spouse or beneficiary dies before I do?

If no further beneficiary is designated, any benefits that become payable on your death will be paid to your estate.

6. What happens if my spouse or beneficiary receives a benefit from the Plan?

Your spouse or beneficiary will be asked to designate a beneficiary.

7. What happens if my spouse or beneficiary does not designate a beneficiary?

Any benefits that would have become payable to such beneficiary shall be paid to that person's estate.

8. Can I change my beneficiary after I retire?

Yes, provided your beneficiary is not your spouse.

PART 10 - RECIPROCITY AGREEMENTS

- 1. What happens if I am temporarily working in the jurisdiction of another Local of the Operating Engineers in Canada?**

The Trustees have entered into reciprocal agreements with other Plans in Canada which provide for the transfer of contributions from the other Plan to this Plan.

- 2. If I transfer my membership from one Local of the Operating Engineers to another will my pension rights be protected.**

Yes, the Trustees have entered into reciprocal agreements with other Locals of the Operating Engineers in Canada and the United States which have similar plans in order to protect the benefits you have earned under this Plan.

- 3. Must I inform the Administrator of the Local Union under which jurisdiction I am working?**

Yes.

PART 11 - ADDITIONAL INFORMATION

- 1. What information will I receive about the Plan?**

- (a) A statement showing a summary of the benefits which you have earned will be sent to you each year.
- (b) If the Plan is changed, you will be provided with an explanation of the change, at the time the next annual statement is provided.
- (c) When an application for termination benefits is made, you will be provided with a written statement showing the

benefits to which you are entitled or to which you may become entitled.

- (d) On your death, your spouse will be provided with a written statement showing the benefits payable as a result of your death.

You may examine the Plan documents at the Plan office at least once annually.

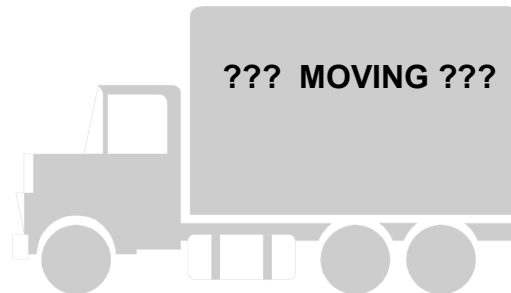
2. How do I or how does my beneficiary apply for benefits?

An application must be completed and submitted to the Administrator. A copy of the appropriate application forms can be obtained from the Administrator.

3. Should I keep pay slips?

Yes. Errors can occur in reporting or tabulating your hours. You should keep a record of:

- (a) your employer(s),
- (b) the address(es) of your employer(s), and
- (c) the hours you were employed each month.



4. Should I notify the Administrator if I move?

Yes.

PART 12 – MARRIAGE BREAKUP

1. What happens if a marriage breakup has occurred between my spouse and I?

Any division of pension benefits depends on the provisions of the Family Relations Act and/or a Court Order.

The Administrator is required to follow the Family Relations Act and/or any Court Order in determining a division of pension benefits.

Please contact the Administrator if such division of pension benefits is required.

-NOTES-

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MEMBER'S PERSONAL RECORD:

NAME

ADDRESS

TELEPHONE NO.

SOCIAL INSURANCE NO.

DEPENDENTS:

- **SPOUSE**

(Name)

(Date of Birth)

- **CHILDREN**

(Name)

(Date of Birth)