MSPP
MULTI-SECTOR PENSION PLAN

RRMS
RÉGIME DE RETRAITE MULTI-SECTEUR

Member's Handbook

WELCOME
TO YOUR
PENSION PLAN

Your pension is an important part of maintaining financial security when you reach retirement. This booklet describes how your pension plan works, who manages it, and the basic information you need to know to make the most out of your benefits. We encourage you to review the information in this booklet so that you understand the options available to you.

The rules and regulations governing the MSPP are contained in the Multi-Sector Pension Plan text, and may be changed from time to time. Up to date and detailed Plan terms are available at www.mspp.ca. The provisions of the Multi-Sector Pension Plan text prevail in the event of any conflict with this booklet.

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Updated as of October 2013. For the most up to date information refer to www.mspp.ca.

CONGRATULATIONS!

Congratulations on becoming a member of the Multi-Sector Pension Plan (referred to in this booklet as the "MSPP" or the "*Plan*"). As a member of the MSPP you belong to a privileged group of employees who don't have to rely solely on government pensions or personal savings for your retirement income. The MSPP is a key component of your future financial security. Read this booklet carefully and keep it for future reference. If you have spouse, please share it with him or her.

When you retire you will receive a pension payment each month for life in addition to any government pension or personal savings you may have. The amount of pension you will receive is dependent on how much you and your employers contributed to the *Plan* and the pension formula in effect while you have benefits in the *Plan*.

Whether you are just beginning your career or have been a long time member of the MSPP, we urge you to take a few minutes to review this handbook and understand how the *Plan* works. The better you understand your benefits, the easier it will be to put them to work for you.

If you have any questions or concerns, please reach out to the Fund Office, where someone will be more than happy to assist you. Their contact information appears on the back page of this booklet.

Sincerely,
The Board of Trustees

BEFORE YOU GO FURTHER

It's important to note that this booklet is based on the pension laws of Ontario. If you work in a federally regulated industry or in another province, you should review the Rules and Regulations of the Multi-Sector Pension Plan posted on www.mspp.ca to see how this might affect your *Plan* membership and benefits.

LOOK FOR THE GREEN ARROW ⬆

Look for the green arrow symbol ⬆ next to topics where the *Plan* rules may vary depending upon where you work.

RETIREMENT INCOME 101

There are three primary sources of income when you retire:

1 Employment pension plans, such as the MSPP;

2 Personal savings plans, such as RRSPs; and

3 Government benefits, such as the Canada/Quebec Pension Plan and Old Age Security.

Other sources of retirement income may include government income supplements, investment income, private savings, and home equity.

EMPLOYMENT PENSION PLAN

The MSPP is a multi-employer target benefit pension plan. The benefits payable to you are based on (a) the total contributions received on your behalf and, if applicable, (b) your eligible years of employment prior to making contributions to the MSPP. Contributions from both you and your employer are accumulated in the MSPP Fund. These contributions are based on your applicable wages and the contribution rates bargained in your Collective Agreement. The combined employer and employee contributions, plus investment income, are used to pay benefits.

The MSPP is a target benefit plan because benefits are based on a target benefit formula, which is ultimately based on member and employer contributions received plus actual investment earnings. If investment returns are less than expected, pensions may be reduced for everybody; if investment returns are greater than expected, pensions may be increased (gains on investment return are for the benefit of the *Plan* and its members). Changes in benefit levels are determined by the Trustees. All benefits from the MSPP, to members, retirees or their spouses or beneficiaries, are target benefits.

Professional investment managers invest the pension fund in stocks, bonds and other types of investments based on the guidelines established by the Board of Trustees in consultation with their investment consultant.

Contributions to the MSPP generate a Pension Adjustment ("PA") for each calendar year. In most cases, your PA is the total amount that you and your employer contributed to the MSPP in the calendar year. Your PA reduces the amount that you can contribute to an RRSP and is reported on each year's T4 slip.

RRSPS

You can contribute up to 18% of your previous year's employment income to an RRSP (up to a maximum dollar limit) reduced by the amount of your PA for the previous year.

If you don't contribute the maximum amount for a year, you can carry forward your unused RRSP contribution room into future years.

GOVERNMENT BENEFITS

Please refer to pages 27 and 28 for information about the Canada/Quebec Pension Plan and Old Age Security.

WHO DOES WHAT?

BOARD OF TRUSTEES

The *Plan* is managed by a Board of Trustees whose role is to act in the best interests of the *Plan* members and to ensure the *Plan* is well managed. They are assisted in carrying out this responsibility by various professional advisors. Please refer to the website for a current list of the trustees.

ADMINISTRATOR

The legal *Plan* administrator is the Board of Trustees. The Trustees retain a third party administrator (the "Administrator") to be responsible for the general day-to-day management and operation of the *Plan.* The Administrator is independent from any union. The Administrator's Fund Office should be your main contact if you ever have questions about the operation of the *Plan*, calculation of benefit entitlements, or if you need to obtain applications for benefits.

PLAN SPONSORS

This *Plan* is 100% union trusteed sponsored by:
- Canadian Union of Public Employees (CUPE)
- Service Employees International Union (SEIU)

The Sponsors appoint the Trustees, but are not responsible for the administration of the *Plan* or the investment of *Plan* monies. Sponsors are not responsible for paying benefits; these are paid, based on contributions and investment returns, from the MSPP Fund.

ACTUARIES

Actuaries calculate the cost of providing benefits under the *Plan*, and determine whether or not the *Plan* can afford the benefits targeted.

INVESTMENT CONSULTANTS

Investment consultants are retained by the Trustees to assist in the management and oversight of the fund investments.

AUDITORS

The auditors prepare financial statements, and make specific recommendations to the Trustees.

LEGAL COUNSEL

Legal counsel is appointed by the Trustees to advise us of our legal responsibilities.

JOINING THE *PLAN*

The MSPP covers union and certain non-union employees who work for *Contributing Employers*. A "*Contributing Employer*" is an employer that has been approved by the Board of Trustees, ratified a Collective Agreement and signed a Participation Agreement requiring it to make contributions to the *Plan*.

You will join the *Plan* on the later of:

- The effective date that your employer is approved as a *"Contributing Employer"* and is obliged to make contributions to the *Plan* on your behalf, or
- The first day of the month after you complete the required hours of employment with your employer, provided that on the date you completed those hours your employer was obligated to contribute to the *Plan* on your behalf.

An employee is typically required to work 500 hours with a *Contributing Employer* before becoming a member of the MSPP. This number may be lower than 500, depending upon the terms of your collective agreement. We've provided some examples below to help you better understand how we arrive at your date of participation. These examples assume that your collective agreement requires 500 hours of employment in order to join the *Plan*.

EXAMPLE

Example 1

If you were already working at a facility which became a Contributing Employer on January 1, 2011, and at that time you had at least 500 hours of employment with that employer, then you became a Participant in the Plan on January 1, 2011.

Example 2

An eligible new employee would become a Participant in the Plan after working 500 hours. So, if you began work on Feb. 1, 2012 and worked full-time hours (typically based on 1800 hours per year), your participation would have begun June 1, 2012. See the detail below:

Employer Participation Date: *January 1, 2011*
Your Hire Date: *February 1, 2012*
Your Hours per Month:

February, 2012	*150 hours*
March, 2012	*150 hours*
April, 2012	*150 hours*
May, 2012	*150 hours*
Total:	*600 hours*

Date of Participation: *Since you completed 500 hours of employment in mid May 2012, you became a Participant on June 1, 2012; the first day of the month following the month in which you completed the required hours of employment.*

MAINTAINING YOUR PARTICIPATION

As long as you remain working for a *Contributing Employer* who makes contributions to the *Plan* on your behalf, you will remain a *Participant* in the MSPP. If you stop working for a *Contributing Employer*, your participation in the *Plan* will continue until you elect to incur a *Break in Service* and terminate your participation in the *Plan*. You may elect to incur a *Break in Service* by delivering a written election to the Fund Office, if no contributions are required to be made to the *Plan* by you or by a *Contributing Employer* on your behalf, and if you are not making any self-payments to the *Plan*.

You will NOT have a *Break in Service* when you:

- are not working due to illness or disability and are still on the *Contributing Employer*'s payroll;
- experience a period of lay-off which is subject to recall pursuant to the terms of the collective agreement;
- are on maternity or parental leave;
- are on strike or lockout;
- are on a leave of absence without pay

If you leave your employer and then decide to return to work for the same employer or another *Contributing Employer* after a *Break in Service*, you will have to once again satisfy all the requirements for new members in order to be eligible for participation.

SELF-PAYMENT

You can make "self-payments" to keep your pension growing if you satisfy all of the following requirements:

- Stop working for a *Contributing Employer*;
- Are between employments with *Contributing Employers*; and
- Are or will be employed by another *Contributing Employer* before you have a *Break in Service*.

You can also make self-payments during an approved leave of absence (i.e. maternity, parental or workers' compensation leave, a period of absence due to illness or disability, a period of layoff subject to recall or a period of strike or lockout.)

To make self-payments:

- Make a written request to the Fund Office; and,
- Make payments at the rate of contribution and for the period of time required by the Fund Office.

The Fund Office will tell you the amount of the self-payments and how long they will last. These self-payments, plus any employer and employee contributions made in the year, cannot exceed the total employee and *Contributing Employer* contributions that would normally have been made in one year of employment.

HOW MUCH THE *PLAN* PAYS

The normal pension benefit under the *Plan* begins at age 65 and is based on the amount of contributions received by the *Plan* on your behalf and your years of service with your first *Contributing Employer* (prior to joining the *Plan*). You earn what is called "*Future Service*" based on all the contributions made on your behalf from the day you joined the *Plan*.

NORMAL PENSION

The Normal Pension is the basic form of target pension offered by the *Plan*. The amount of your Normal Pension is determined by adding together the *Future Service* Benefit and the amount of *Past Service* Benefit you have earned (if any).

***FUTURE SERVICE* BENEFIT**

For every $100 in contributions made to the *Plan* (yours and your employer's combined), your target benefit is $1.55 per month payable at age 65 for your lifetime.

EXAMPLE

Total contributions:	*$50,000 ($30,000 from your employer* and $20,000 from you)*
Target Benefit amount:	*$50,000 ÷ 100 = 500* *500 x $1.55 = $775 .00*

You will be entitled to a monthly target benefit of $775.00 at age 65 payable for your lifetime.

**Contributions from the Employer are not necessarily equal to those from an employee, they can be more but never less.*

PAST SERVICE BENEFIT

You may also be eligible for up to seven years of *Past Service* Credit for the time you worked for your first *Contributing Employer* before that employer joined the *Plan*. If you are eligible, the amount of your *Past Service* target benefit is determined based on your years of *Past Service* Credit and your maximum contribution rate for 12 continuous months.

To qualify for *Past Service* Credit, if your employer became a *Contributing Employer* on or after January 1, 2012, you must:

- have worked for your first *Contributing Employer* continuously from your seniority date up to the date they made their first contribution to the *Plan*; and,
- be a *Participant* in the *Plan* from the time your employer joins the *Plan*.

If you are working for an employer approved January 1, 2012 or later, you may be eligible to receive "*Past Service* Credits" for your years with this employer prior to participation. You will receive one year of *Past Service* Credit for each year of current service in the *Plan*, up to a maximum of seven years (or 84 months).

For groups approved for entry into the *Plan* prior to January 1, 2012, please refer to the stand alone pamphlet on *Past Service Benefit*.

If you are working for an employer that was approved entry into the *Plan* prior to your joining, you are not entitled to *Past Service* Credit.

Please note that under no circumstance can you receive more *Past Service* Credit than the lesser of seven years or your length of employment with that employer prior to its first contribution to the MSPP.

MEMBERS OF EMPLOYERS APPROVED ON OR AFTER JANUARY 1, 2012

PAST SERVICE TARGET BENEFIT (per month)

Current Service/ *Past Service* Credit*	12-Month Total Contribution Rate**				
	8%	7%	6%	5%	4%
1 year	$ 26.60	$ 23.28	$ 19.95	$ 16.63	$ 13.30
2 years	$ 53.20	$ 46.56	$ 39.90	$ 33.26	$ 26.60
3 years	$ 79.80	$ 69.86	$ 59.85	$ 49.89	$ 39.90
4 years	$ 106.40	$ 93.12	$ 79.80	$ 66.52	$ 53.20
5 years	$ 133.00	$ 116.40	$ 99.75	$ 83.15	$ 66.50
6 years	$ 159.60	$ 139.68	$ 119.70	$ 99.78	$ 79.90
7 years or more	$ 186.20	$ 163.66	$ 139.65	$ 116.41	$ 93.10

*For each year of current service, you will receive 1 year of *Past Service* Credit.

**The combined employer plus employee contribution rate must be equal to at least 8% during any 12 consecutive month period in order to earn the full *Past Service* Credit under the 8% column. If the combined contribution rate during any 12 consecutive month period is less than 8%, then the amount of the *Past Service* Credit will be pro-rated as set under the applicable column showing your 12-Month Total Contribution Rate.

The pension amounts in the above chart represents Past Service Target Benefits only. It does not include the Future Service Target Benefits you will earn during your years of participation in the MSPP. This chart is for illustrative purposes only. If there are any discrepancies between these charts and the Rules and Regulations of the Plan, the Rules and Regulations will govern.

WHEN YOUR PENSION BENEFITS ARE PAYABLE

There are two options for when you can retire:

1 At age 65 with a full pension.

2 As early as age 55 with a reduced pension. Your pension will be permanently reduced by 6% per year for each year you start your pension before age 65. This Early Retirement Pension is payable the first day of the month after the latest of the following dates:
- the date you turn 55;
- the date you last worked in covered employment;
- the date your application form was received by the Fund Office; or,
- the date you request your benefit to commence.

By law, your pension payments must start no later than the end of the calendar year in which you turn 71. You should apply for your pension a few months prior to when you would like to commence your pension as applying late may cause delays in payments. For example, if you turn 65 and retire but do not apply for your pension until you turn 66, you will not receive the 12 months of pension benefits you missed out on prior to your application.

Your pension will commence after the Fund Office has received your application, in the month after you reach age 65, or in the month after the last day you worked (when contributions were made), whichever is later.

EXAMPLE

Ajmal terminated employment on January 10, 2012 after his 55th birthday. His pension application form was received at the Fund Office on March 11, 2012. He requested that his pension payments begin on February 1, 2012. As March 11, 2012 is the latest of the four dates, his pension benefit will be payable the first of the following month, which is April 1, 2012.

To start receiving your pension benefits, you need to apply to the Fund Office several months in advance of when you'd like your pension to start. This is an important step when getting ready to retire as employers do not make these applications on behalf of their employees.

YOUR PENSION PAYMENT OPTIONS

How your pension is paid is partly dependent on whether or not you have a Spouse on the date you begin to receive benefits.

Who is your "spouse"?
Under Ontario pension law, your spouse is the person living with you and is:

1 married to you , or

2 not married to you but is:
- in a conjugal relationship with you continuously for at least three years, or
- in a relationship of some permanence with you if you are the parents of your own or adopted child, as defined in the Family Law Act (Ontario).

'Spouse' may be defined differently in different provinces and in federally regulated employment.

STANDARD FORMS OF PAYMENT

There are two methods of payment: Joint and Survivor or Single Life Benefit. If you have a Spouse on the day you retire, you will receive your pension in the Joint and Survivor form unless your Spouse has waived their right to receive a pension. All pensions, including pensions paid to spouses and beneficiaries, are target benefits.

If you do not have a Spouse on the day you retire (or if you have a Spouse who waives their right to a pension), you will receive your pension as a Single Life Benefit.

1. Joint and Survivor Benefit – This type of payment provides a monthly pension for your lifetime and 60% of the benefit you were receiving continues to your Spouse for his or her lifetime upon your death. The monthly amount of your pension will be reduced to reflect the longer period of time over which your pension might be paid. The amount that your pension is reduced is based on your age and your Spouse's age when you retire.

Your Spouse may waive their right to the Joint and Survivor Benefit by filing a written waiver form with the Trustees during the 12 months before the first payment of your pension. This form is available from the Fund Office, and if it is filed, you will be eligible to choose one of the other optional methods of payment. The proper form of spousal waiver must be filed; other forms of waiver are not acceptable.

2. Single Life Benefit – For those without a spouse, a monthly pension is paid to you for your lifetime with a minimum of at least 60 monthly payments being paid. If you die before receiving 60 payments, your *Beneficiary* or estate will receive the balance of your remaining monthly pension payments until a total of 60 payments have been made.

OPTIONAL FORMS OF PAYMENT

The following table lists the five methods of payment offered to you by the *Plan* in addition to the standard forms of payment described prior. With the exception of the Level Pension Option, these forms are available to all pensioners.

PENSION PAYMENT OPTION	DESCRIPTION OF YOUR OPTIONAL FORMS OF PAYMENT
Life Only Pension	This form of payment pays you a pension for as long as you live. Upon your death, all payments from the *Plan* stop.
Life Pension With 10 Years Certain	This form of pension payment pays you a monthly benefit for your lifetime with a minimum of 120 monthly payments. Upon your death, if you have not received at least 120 monthly payments, your *Beneficiary* will receive the balance of payments until a total of 120 monthly payments have been made. If you elect this option, your benefit will be reduced to pay for the minimum 120 payments. The amount of the reduction depends on your age when payment begins.
Life Pension With 15 Years Certain	This form of payment is exactly the same as the Life Pension with 10 Years Certain described above, except that the payments are made for a minimum of 180 months. If you elect this option, your benefit will be reduced to pay for the minimum 180 payments. The amount of the reduction depends on your age when payments begin.
Joint and Survivor Benefit	This option pays you a monthly pension benefit for your lifetime. Upon your death, your Spouse will receive either 50%, 75 % or 100%, of your pension payment. If your Spouse predeceases you, the pension benefit will cease upon your death.

PENSION PAYMENT OPTION	DESCRIPTION OF YOUR OPTIONAL FORMS OF PAYMENT
Joint and Survivor Benefit continued	If you elect this option, your benefit will be reduced to reflect that payments are made over two lifetimes. The amount of reduction is based on your age and your Spouse's age at the time you start to collect your monthly benefit. If you select the 50% option, your Spouse will have to provide the Fund Office with a waiver.
Level Pension Option	This option is only available to those who choose early retirement and takes into account the benefits you may receive under the Old Age Security Act and the Canada Pension Plan. Initially, you will receive a higher monthly payment until you reach age 65 (when Old Age Security Pension and full benefits from the Canada Pension Plan are payable to you, if you qualify) at which time your monthly payments will be reduced. At age 65 the combination of the three payments will be approximately equal to the pension you were receiving before your Old Age Security Pension and Canada Pension Plan payments started, providing you qualify for full benefits from the Canada Pension Plan and Old Age Security.

Pension benefits, under all options, to you, your spouse and your beneficiaries are target benefits.

EXAMPLE

Your monthly target pension payable to you depends on the optional form of payment chosen at retirement. Below are the various options and amounts assuming your monthly Normal Retirement Pension is $500 and that you and your spouse are age 65 at retirement:

	MINIMUM PAYMENT PERIOD			
	0 years*	5 years* (Standard Form)	10 years*	15 years*
Your monthly target pension upon retirement paid for your lifetime	**$505**	**$500**	**$488**	**$471**

	MINIMUM PAYMENT PERIOD			
Your spouse's (or *beneficiary*) monthly target pension if you die before your spouse, and you had been retired for less than the minimum payment period	**$0**	**$500** for the remainder of the 5 year period, after which he/she will receive **$0**	**$488** for the remainder of the 10 year period, after which he/she will receive **$0**	**$471** for the remainder of the 15 year period, after which he/she will receive **$0**
Your spouse's monthly target pension if you die before your spouse, and you have been retired for at least the minimum payment period	**$0**	**$0**	**$0**	**$0**
	JOINT AND SURVIVOR OPTIONS			
	50%*	**60%**	**75%**	**100%**
Your monthly target pension upon retirement paid for your lifetime	**$474**	**$468**	**$460**	**$447**
Your spouse's monthly target pension if you die before your spouse	**$237** for the remainder of your spouse's lifetime	**$281** for the remainder of your spouse's lifetime	**$345** for the remainder of your spouse's lifetime	**$447** for the remainder of your spouse's lifetime

*If you have a spouse at the date of your retirement, these forms are available to you only if your spouse signs a spousal waiver form.

**Level Pension Option can be chosen under any of the above forms.

NOTE

For the Level Pension Option, the Fund and the Trustees are NOT responsible for the payment of the Old Age Security benefit or the Canada Pension Plan benefits. If you do not qualify or these benefits are reduced or abolished, your MSPP pension will not be adjusted.

REMEMBER:

Once you have elected your form of pension and started to receive your benefit, you may not change the method of payment. If you are mentally or physically disabled and there is satisfactory medical evidence provided to the Trustees that your life expectancy will be shortened, you may be eligible to vary the terms of your benefit. Written application to the Trustees must be made.

IF YOU TERMINATE YOUR PARTICIPATION BEFORE YOU RETIRE

If you terminate participation in the MSPP before becoming eligible to receive a target pension from the *Plan*, you'll receive your benefits in one of two ways:

- Deferred Target Pension; or
- Portability Option

The payment options available to you depend on your age at the time of your termination.

DEFERRED PENSION

If you terminate your participation before age 55, you can choose to leave your money in the *Plan* and receive a Deferred Pension at a later date. This Deferred Pension will be a target benefit payable to you upon your retirement at or after age 55. If you start receiving a pension at age 65 or later, you will be paid a monthly target pension calculated in the same manner as a Normal Pension. If you decide to begin receiving your Deferred Pension between the ages of 55 and 65, the amount of the Deferred Pension will be calculated in the same manner as a Normal Pension and then reduced like an Early Retirement Pension.

If you are under age 55 and do not wish to receive a Deferred Pension, you may transfer a *Commuted Value* of your target pension benefit by selecting the Portability Option.

PORTABILITY OPTION

If you are under age 55 when you terminate your participation in the *Plan*, you may select the Portability Option. This allows you to transfer a *Commuted Value* of your target pension benefits to another qualified investment vehicle, which in Ontario are:

- another Registered Pension Plan;
- a locked-in Registered Retirement Savings Plan;
- a deferred Life *Annuity*; or,
- a Life Income Fund.

Selecting the Portability Option means you'll no longer be eligible for further benefits from the *Plan*. If you'd like to select this option, you'll need to file an application form requesting this benefit within 60 days of your receipt of a termination statement from the *Plan*. If you do not apply within 60 days, you will lose the opportunity to choose this option and by default, will receive a Deferred Pension.

PRE-RETIREMENT DEATH BENEFITS

If you die before you start receiving your pension, your Spouse will be eligible to receive a Pre-Retirement Survivor benefit. If you do not have a Spouse at the time of your death, or your Spouse has waived his or her entitlement to a Pre-Retirement Survivor benefit, this benefit will go to your *Beneficiary* or estate. The target amount payable to your Spouse, *Beneficiary* or estate is equal to 100% of the *Commuted Value* of the pension benefits you earned up to the date of your death.

If you have a Spouse at the time of your death, they can receive the *Commuted Value* in one of the following three ways:

1. as an immediate monthly target pension payable for your Spouse's lifetime;
2. as a deferred monthly target pension beginning before or at the time your surviving Spouse turns 65;
3. as a single lump sum cash payment which may be transferred to an RRSP.

If you do not have a Spouse at the time of your death, or your Spouse has waived their entitlement to a Pre-Retirement Survivor

Benefit, the *Commuted Value* will be paid in a taxable lump-sum to your *Beneficiary*, or to your estate if you have not named a *Beneficiary*.

Your Spouse or *Beneficiary* should contact the Fund Office as soon as possible after your death. The Fund Office will provide your Spouse, *Beneficiary* or estate with a statement indicating the *Commuted Value* of your benefits after receiving a completed application form from the party seeking to receive the benefit.

NAMING A *BENEFICIARY*

If you wish to name a *Beneficiary* who will receive a benefit from the MSPP if you should die, a completed *Beneficiary* Designation form must be returned to the Fund Office. These are available from the Fund Office and the website. If you have a Spouse and want to name someone other than your Spouse as your *Beneficiary*, your Spouse must agree, in writing on the appropriate waiver form, to waive their rights to any MSPP benefits.

The name of your current *Beneficiary* will appear on your Annual Statement. If there is no name listed, it means the Fund Office does not have a designated *Beneficiary* on file for you. If you want to change your *Beneficiary*, just complete a new form and return it to the Fund Office. A change in your personal life may require a change in your *Beneficiary*, so make sure to keep your *Beneficiary* designation current.

OTHER THINGS YOU SHOULD KNOW

BENEFIT RIGHTS & RESTRICTIONS

In the event the MSPP is unable to pay the full amount of benefits due to a funding shortfall, the Trustees have the right to reduce benefits being paid or that will become payable under the *Plan*.

In the event a *Contributing Employer* withdraws from the MSPP, the Trustees have the right to reduce benefits, if the contributions received are not sufficient to pay for the benefits of members who were employed by that employer.

The maximum pension you can receive from the MSPP will in no event exceed the maximum annual pension permitted by the Canada Revenue Agency.

Your current or future pension cannot be assigned or pledged to another party. This means that you cannot use your right to a pension as security for loans, mortgages, etc.

If you obtain a divorce, annulment or separation from your Spouse, your pension benefits may become subject to assignment under the applicable provincial property and family law of the province in which you live. Please see pages 30 to 32.

Should it be determined that you have become unable to care for your financial affairs because of mental or physical incapacity, the Trustees, in accordance with the rules of the *Plan*, may redirect your pension benefits to your legal guardian, committee or representative.

PLAN OPERATIONS

The determination of your pension benefits will be made solely on the basis of the records kept by the Fund Office and verification with employer records, as required. All decisions made by the Trustees regarding the MSPP are final and binding.

From time to time, the Rules and Regulations of the MSPP are changed. The Trustees will endeavour to keep the website (www.mspp.ca) up to date and to inform you of changes.

MSPP benefits are funded through employee and employer contributions. The target benefit levels ($1.55 per $100 of contributions and up to $26.60 per year of *Past Service* Credit) are determined on the advice of an *Actuary* with the aim that the assets and investment income of the MSPP will be sufficient to meet the future liabilities of the *Plan*.

The contributions made to the Trust Fund are used only to finance the benefits of the MSPP and to pay the *Plan*'s expenses. Under no circumstances will any contributions made to the MSPP revert back to the employer, unless required in order to avoid revocation of registration of the *Plan* under the Income Tax Act.

The MSPP is expected to operate indefinitely. However, in the unlikely event that it is terminated, your pension benefits will be determined by the Trustees based on the laws of the Province of Ontario. The MSPP is registered in Ontario under the Pension Benefits Act, and under the Income Tax Act.

GOVERNMENT BENEFITS

You may be eligible to receive payments from three government-sponsored programs – the Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) and Old Age Security (OAS) and the Guaranteed Income Supplement (GIS).

You should apply to the government at least 6 months before you would like your benefits to begin as they do not start automatically.

CANADA/ QUEBEC PENSION PLAN (C/QPP)

If you work for most of your adult life and have earnings of at least the Year's Maximum Pensionable Earnings (YMPE), it is likely that you will receive the maximum C/QPP payment.

These are some highlights of the current C/QPP rules:

- If you have made at least one contribution to the CPP (or contributed for at least one year to the QPP), you are eligible for benefits.
- You may retire as early as age 60. If so, your pension will be reduced by a C/QPP early retirement reduction factor for each month it begins before age 65. From 2012 to 2016, this early retirement reduction factor will gradually increase from 0.5% to 0.6% per month. This means that by 2016, if you start receiving your C/QPP pension at age 60, your pension amount will be 36% less than it would have been if you had started it at age 65.
- You may defer your payments beyond age 65. If so, your pension will be increased by a C/QPP late retirement factor equal to 0.7%

for each month it begins after age 65 up to age 70. This means that if you start receiving your C/QPP pension at age 70, your pension amount will be 42% more than it would have been if you had started it age 65. This late retirement increase stops at age 70 so it is important that you apply before then as there is no financial benefit in deferring your pension any further.

- If you die, your Spouse and children may be eligible for benefits. These benefits depend on their ages and the amount of contributions you have made.
- Survivors' benefits include lump sum death benefits, a surviving Spouse pension and orphan pensions.
- C/QPP pensions are adjusted each year based on the change in the Consumer Price Index.
- C/QPP benefits are taxable.

OLD AGE SECURITY (OAS)

If you meet certain residency requirements, you will receive a monthly benefit from the Old Age Security program.

The following are highlights of some of the current OAS rules:

- Any person who has attained the retirement age under OAS is entitled to the full OAS pension after 40 years of residence in Canada.
- A partial pension is payable after a minimum of 10 years of residence in Canada.
- Starting April 1, 2023, the age of eligibility for OAS will gradually increase from age 65 to age 67. This change affects people born after March 31, 1958. By 2029 (anyone born in 1963

or later), the age of eligibility for OAS will be age 67.
- You may choose to delay receiving your OAS pension for up to 5 years. For every month you delay receiving your OAS pension, you will receive an increased monthly pension of 0.6% per month up to a maximum of 36%.
- The OAS benefit is adjusted quarterly to keep pace with changes in the Consumer Price Index.
- The OAS benefit is taxable.
- If your taxable income is more than a threshold level, you may be required to repay all or part of your OAS benefit when you file your income taxes.

GUARANTEED INCOME SUPPLEMENT (GIS)

In addition to the OAS pension, you may also qualify for the GIS. The GIS provides a monthly benefit to individuals who have a low income.

These are some highlights of the current GIS rules:

- To be eligible, you must be receiving an OAS pension, and the combined income of you and your spouse (if you have one) must not exceed a specific amount.
- The GIS benefit is not taxable.
- You only need to apply once for the benefit and will not need to re-apply as long as you file an income tax return each year. You will need to re-apply if you do not file an income tax return for a year, or if you did not qualify for GIS in the past but you think that you might be eligible now.

SPOUSAL RELATIONSHIP BREAKDOWN & YOUR PENSION

This next section explains how your pension from the MSPP may be affected if your marriage or common-law relationship ends, how to obtain information about your pension for marriage/relationship breakdown purposes, and what documentation is required in order to divide your pension.

HOW DOES THE BREAKDOWN OF A SPOUSAL RELATIONSHIP AFFECT YOUR PENSION?

Every province has legislation dealing with the division of family property on relationship breakdown (though in most provinces the right to property division only applies to married and not common law couples). The pension you accrued under the MSPP during your relationship may be considered property for the purposes of valuing and sharing net family assets.

Although the value of your pension may be included in determining the value of your family property, it will not necessarily be divided. In most provinces other assets may be shared without affecting a pension, or the parties may simply choose not to divide a pension. The manner and timing of any pension division will depend on the pension and family laws applicable.

Because the pension and family law rules vary from province to province and depend on your personal circumstances, it is recommended that you obtain legal advice from a family law lawyer before entering into any arrangements with respect to your pension. **The MSPP fund office cannot provide you with legal or financial planning advice**.

GOVERNMENT FORMS

In some provinces, there are prescribed forms that must be used to request information about your pension for marriage/relationship breakdown purposes, and/or to request a division of your pension.

Before proceeding with a request for information or a division of your pension, you should contact the MSPP fund office to determine whether a particular form is necessary to respond to your request.

REQUESTING INFORMATION ABOUT YOUR PENSION FOR MARRIAGE/ RELATIONSHIP BREAKDOWN PURPOSES

You may request information about your pension for marriage/relationship breakdown purposes by contacting the MSPP fund office. The information provided by the MSPP fund office will depend on your province of employment. A fee may be required for providing this information to you.

DIVIDING YOUR PENSION

A court order or separation agreement (or other legal document permitted in your province) is necessary to divide your pension. If a court order or separation agreement divides your pension, it is your responsibility, and the responsibility of your former spouse, to file a copy of the order or agreement with the MSPP fund office.

The pension division rules are complex and vary from province to province. There are legislative limits governing when a pension may be divided, how much of a pension can be divided, and in some provinces, a specific pension division formula must be used, or the order/agreement must contain certain information.

You should consult with a lawyer and the MSPP Fund office before an order or agreement dividing your pension is finalized, to ensure it complies with all legislative and MSPP requirements. In particular, it should:

- specifically provide for the division of your pension;
- specifically refer to your pension under the "Multi-Sector Pension Plan";
- clearly specify the percentage or dollar amount to be provided to your former spouse, or use the formula specified in the legislation where applicable;
- comply with the maximum limits under the legislation;
- specify what happens if your former spouse dies before you do and before receiving his/her entitlement from the *Plan* (subject to any requirements under applicable legislation).

UPDATING YOUR SPOUSAL STATUS & BENEFICIARY DESIGNATION

If you separate or divorce from your spouse, you should update your spousal status by completing and filing a new declaration of spousal status form with the MSPP fund office.

A separation or divorce does not automatically revoke a previous beneficiary designation. If you previously designated your spouse as your beneficiary, your spouse will remain as the beneficiary until you change it. As such, you should consider completing and filing a new beneficiary designation form with the MSPP fund office.

Note: *in some provinces, your separated spouse will continue to have a right to any death benefits until you divorce or the expiry of a specified period.*

For more information on government benefit programs, please contact:

Service Canada
1 800 277 9914
for service in English
www.servicecanada.gc.ca

Régie des rentes du Québec
1 800 463 5185
for service in English
www.rrq.gouv.qc.ca

USEFUL TERMS TO KNOW

Listed below are some of the terms used throughout this booklet and their meanings. We believe these definitions will help you better understand the MSPP. As always, if you are in doubt about a meaning or how it might affect you, please contact the Fund Office directly or visit the *Plan*'s website.

Actuary – An *Actuary* is a person or firm which specializes in the calculation of pensions and their value at any given point in time based on future unknown events.

Annuity – A pension purchased through a contract with an insurance company, commencing as early as age 55.

Beneficiary – A *Beneficiary* is the person you have designated to receive, in the event of your death, any pension benefits that may be owing to you from the *Plan*. It is important for you to inform the Fund Office of your *Beneficiary* and any change of your intended *Beneficiary* using the form available from the Fund Office or the *Plan*'s website.

Break in Service – When no contributions are required to be made to the *Plan* in respect of a *Participant* and no self-payments are being made to the *Plan*, a *Participant* may elect to incur a *Break in Service* and terminate his or her status as a *Participant* in the *Plan*. ⬆ A *Participant* will be excluded from this rule during the following periods:

- a period of absence due to illness or disability, where he or she remains on the *Contributing Employer*'s payroll for purposes of retaining seniority pursuant to the terms of the collective agreement;
- a period of lay-off which is subject to recall pursuant to the terms of the collective agreement;
- a period of absence for pregnancy or parental leave to the maximum permitted under the Ontario Employment Standards Act;
- a period of a strike or lockout;
- a period of approved leave of absence without pay. ⬆

Contributing Employer – This is an employer that: is bound by a Collective Agreement or Participation Agreement requiring it to make contributions to the MSPP; has been approved for participation in the *Plan* by the Trustees; and, is making contributions to the *Plan* as required.

Commuted Value – This term is used to describe the current value of a pension benefit accumulated at the time of a *Participant*'s termination of participation in the *Plan* calculated according to the regulations of the Pension Benefits Act, and the rules of the *Plan* using a formula acceptable to the Canada Revenue Agency.

Future Service – years worked after contributions to the *Plan* on your behalf begin.

Normal Retirement Date – The first of the month coinciding with or the next month following the attainment of Normal Retirement Age (which is age 65).

Participant – A *Participant* is an employee who has met the eligibility rules outlined in the section of this booklet entitled Participation in the *Plan*. Becoming a *Participant* is the first step in becoming eligible to receive a pension from the *Plan*.

Past Service – *Past Service* may increase the amount of monthly pension available to eligible members in recognition of their service with their first *Contributing Employer* prior to the date that employer made its first Contribution to the *Plan*. The maximum *Past Service* available under any circumstances is seven years.

Plan – When the word *Plan* appears, it refers to the MSPP.

While this booklet summarizes the rules contained in the Rules and Regulations of the *Plan*, it is only a summary. If there are any differences between this Booklet and the Rules and Regulations of the *Plan*, the Rules and Regulations shall govern. If you wish to review all the details of the *Plan*, you should refer to the Rules and Regulations of the *Plan* and the

Agreement and Declaration of Trust, both of which are available upon request from the Fund Office. Should there be any discrepancies between the English-language and the French-language versions of the Rules and Regulations of the *Plan*, the English-language version shall prevail. The Rules and Regulations of the MSPP can be found on our website at www.mspp.ca.

YOUR PRIVACY

By participating in the *Plan*, you are consenting to the *Plan*'s collection, use and disclosure of your personal information. For example, the MSPP needs to know things like your birthday and your social insurance number. The *Plan* must also track your wages and hours of work to ensure that all required contributions are made on your behalf. Information about your Spouses and/or Beneficiaries is also required so that benefits can be paid to the appropriate individual in the event of your death. Most of this information is provided to the *Plan* by your employer, while other information is collected directly from you.

On occasion, the MSPP may need to share some of your information with actuaries and other pension professionals. The *Plan* will always take reasonable steps to protect the privacy of your information and we have adopted a Privacy Policy which is available upon request.

MULTI-SECTOR PENSION PLAN

LEGAL COUNSEL

Koskie Minsky LLP

CONSULTANTS AND ACTUARIES

Buck Consultants

INVESTMENT CONSULTANTS

Eckler Ltd.

AUDITORS

BDO Dunwoody

ADMINISTRATOR

MS (Multi-Sector) Non-Profit Benefit Plan Administrators

www.mspp.ca

HAVE MORE QUESTIONS?

Phone: 905.889.6200

Fax: 905.889.7313

Email: info@mspp.ca

Visit our website: www.mspp.ca

Write to us at:
105 Commerce Valley Drive West, Suite 310
Thornhill, Ontario, L3T 7W3

REMEMBER TO STAY IN TOUCH

If you change your personal information, or switch employers, don't forget to let the Fund Office know! Keeping in touch and ensuring your information is always up to date is the best way to ensure you don't miss out on any pension benefits you have earned.

t: 905.889.6200 f: 905.889.7313 1.800.287.4816

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