



# Saskatchewan Piping Industry

## Health & Welfare and Pension Plan Trust Funds

ADMINISTERED BY GLOBAL BENEFITS  
[SASKATCHEWAN PIPING INDUSTRY PENSION PLAN REGISTRATION NO. 0368290]

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|       |                                                                |
|-------|----------------------------------------------------------------|
| To:   | Members of the Saskatchewan Piping Industry Pension Trust Fund |
| From: | Board of Trustees                                              |
| Date: | October 2017                                                   |
| Re:   | Improvements to your Pension Plan                              |

As many of you may have heard by now, Trustees have been waiting on changes to the provincial pension legislation. These changes would allow the Board to make improvements to the Saskatchewan Piping Industry Pension Plan. On August 24, 2017, it was announced that the new legislation was in place.

On September 5, 2017, the Trustees met with the Plan Actuary to review the improvements that had been costed out at the previous meeting in anticipation of the legislation being passed. Those improvements were incorporated into an amendment that was filed with the Financial & Consumer Affairs Authority of Saskatchewan (FCAA) – Pensions Division.

We are pleased to say that the wait is over so that, effective retroactive to January 1, 2017, the following improvements have been made to the Plan:

### 1. Pension Rate Upgrade for all Service to Date

For a number of years pension contributions have increased but there has been no corresponding increase to the pension rates. The Trustees are therefore retroactively increasing all pensions for members in good standing (including retirees and surviving spouses in good standing), but not to expelled members or retirees no longer in the Union.

The following tables outline the increased pension rates per 100 covered hours in comparison to the current pension rates:

| Industrial     |                      |                        |
|----------------|----------------------|------------------------|
| Effective Date | Current Pension Rate | Increased Pension Rate |
| 1-Jan-2012     | \$5.85               | \$6.20                 |
| 1-Jan-2013     | \$5.85               | \$6.50                 |
| 1-Jan-2015     | \$5.85               | \$7.00                 |
| 1-Jan-2016     | \$5.85               | \$7.25                 |

| Commercial     |                      |                        |
|----------------|----------------------|------------------------|
| Effective Date | Current Pension Rate | Increased Pension Rate |
| 1-Jan-2007     | \$4.00               | \$4.08                 |
| 1-Jan-2011     | \$4.00               | \$4.58                 |
| 1-Jan-2012     | \$4.00               | \$4.93                 |
| 1-Jan-2013     | \$4.00               | \$5.28                 |
| 1-Jan-2014     | \$4.00               | \$5.58                 |
| 1-Jan-2015     | \$4.00               | \$5.83                 |
| 1-Jan-2016     | \$4.00               | \$6.08                 |

### 2. Early Retirement Reduction

Currently, the reduction for early retirement is up to ½% for each month of retirement prior to age 65. Due to the lifting of the solvency funding restrictions, the Trustees are able to restore the reduction for early retirement to ¼% per month. The table below summarizes these reductions at various ages. This would only apply to members in good standing who retire on and after January 1, 2017:

| Early Retirement Reductions |             |
|-----------------------------|-------------|
| Age at Retirement           | % per month |
| 64                          | 3.0%        |
| 63                          | 6.0%        |
| 62                          | 9.0%        |
| 61                          | 12.0%       |
| 60                          | 15.0%       |
| 59                          | 18.0%       |
| 58                          | 21.0%       |
| 57                          | 24.0%       |
| 56                          | 27.0%       |
| 55                          | 30.0%       |

**3. Bridge Benefit**

The maximum amount of the Bridge Benefit has been increased from \$400 to \$578.53 per month. This improvement applies to members in good standing who retire on and after January 1, 2017.

The Bridge Benefit is currently payable to retired members from retirement to age 65 when the payment of Old Age Security starts. It is payable from as early as age 55 (with a 3% reduction for each year prior to age 60). The maximum amount is payable only to those who have at least 30 years credited service. For those with 25-30 years, the benefit is prorated (1/30<sup>th</sup> for each year). Members with less than 25 years of credited service are currently not entitled to the Bridge Benefit.

The maximum amount has now been increased to \$578.53 per month. This is the amount of Old Age Security as at January 1, 2017. In addition, the minimum service requirement has been lowered to 10 years. For example, a member with 10 years would get a Bridge Benefit of \$192.84 ( = \$578.53 x 10 / 30).

**4. Second Pension Increase for all Service to Date**

An across-the-board increase of 15% to all pensions accrued to January 1, 2017 for all members in good standing (including retirees and surviving spouses in good standing). This is on top of the increases outlined above.

**5. Pension Increase for Future Service**

The pension rate for service on and after January 1, 2017 increases from \$4.00 to \$6.33 for Commercial members and from \$5.85 to \$7.25 for Industrial members for each 100 hours of contributions to the Plan.

Retired members in good standing who retired prior to January 1, 2017 will receive the increases outlined in 1 and 4 above retroactive to January 1, 2017. Surviving spouses of retired members who were in good standing with the Union on the date of their death are also entitled to these increases.

Retired members in good standing who retired on or after January 1, 2017 are entitled to all the above increases and will have their pensions re-calculated and paid retroactive to their date of retirement.

**Note that for members who had a break in service which resulted in termination of Plan membership, the above benefit improvements do not apply to the pension benefits earned prior to any such break in service.**

**Pension Information Sessions**

The Trustees will deliver Information Sessions during the upcoming Local Union meetings:

- Saskatoon – Saturday, October 21, 2017; and,
- Regina – Saturday, November 18, 2017.

The pension information portion of the meetings will commence following the completion of local union business and we encourage you to attend and to bring your spouse/partner/etc.

**BOARD OF TRUSTEES**

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