

October 2016 Notice of Information

Victoria Mechanical Industry Pension Plan

PENSION PLAN BENEFIT INCREASES

At December 31, 2015, the Victoria Mechanical Industry Pension Plan (the “VMIPP”) converted to a target benefit pension plan. This conversion means that the VMIPP now operates under financial rules that are appropriate for our plan.

Applying these more appropriate rules, the Trustees of the VMIPP are in a position to provide modest **increases** in pension benefits for all members, former members, spouses and beneficiaries.

We are pleased to announce the following three **increases**:

1. **UNREDUCED RETIREMENT DATE - CHANGED FROM AGE 65 TO AGE 64**

Effective October 1, 2016 a member or former member’s unreduced retirement date shall be the first (1st) day of the month coincident with or next following his/her sixty-fourth (64th) birthday.

2. **INCREASE TO MEMBERS & FORMER MEMBERS (NON RETIRED)**

Effective October 1, 2016 all members or former members with a monthly pension benefit not withdrawn or transferred out of the plan as of that date, will receive a 5% increase to the pension benefit accrued to December 31, 2015. 2016 Pension statements will show the 5% increase separately from benefit credits accrued for 2016.

3. **INCREASE TO RETIRED MEMBERS, SPOUSES, & BENEFICIARIES**

Effective October 1, 2016 all members, spouses, and beneficiaries receiving a monthly pension benefit from the plan will receive a 5% increase to the pension benefit retroactive to January 1, 2016.

The 5% increased benefit payment will be applied to all retirees, spouses, & beneficiaries with the December 2016 benefit payment.

There will be a one-time lump sum payment also made December 2016 to provide the retroactive 5% increase from January 2016 – November 2016.

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Benefits are not guaranteed

While Benefits are not guaranteed,

The VMIPP remains well funded *after increasing benefits*:

- assets are approximately 120% of liabilities, and
- Contributions exceed the cost of pensions.

Further, the Trustees have made changes to the investment portfolio to enhance returns and decrease risk. The VMIPP continues, however, to take on some investment risk, in order to earn reasonable returns.

Notwithstanding the solid funding position and the investment strategy, there are circumstances (particularly if the investments perform extremely poorly), where benefits may, as a last resort, need to be decreased. The Trustees will run the VMIPP in a manner to make the likelihood of future benefit cuts unlikely.

Dale Dhillon
Plan Administrator
Victoria Mechanical Industry Pension Plan

NOTICE OF PENSION PLAN BENEFIT INCREASE MEETINGS

Jeremy Bell, Actuary, George & Bell will be on hand at all three of these meetings to present the information and answer questions related to the 5% benefit increase to the Victoria Mechanical Industry Pension Plan. These meetings are open to all Members, Spouses and Beneficiaries.

Meeting Places, Dates and Times

Victoria Union Hall	Tuesday, November 8, 2016 919 Esquimalt Road	6:00 pm
Nanaimo Union Office	Wednesday, November 9, 2016 477 Wallace Street, Suite 306	6:00 pm
Courtenay Best Western	Thursday, November 10, 2016 The Westerly Hotel	6:00 pm