SHEET METAL WORKERS LOCAL UNION 30

A HISTORY OF THE SHEET METAL WORKERS PENSION PLAN

Updated November 5, 2019

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THE ORIGINAL PENSION PLAN

Where It Started, 56 Years Ago

LOCAL 30'S CHARTER

Local 30 was chartered in 1896 as a local of the Sheet Metal Workers International Association.

THE FIRST DAY OF THE PENSION PLAN

The Pension Plan began on January 1, 1959.

THE FIRST BOARD OF TRUSTEES

The first board of trustees was composed of Union and management Trustees. Union Trustees were elected under Local 30's constitution. Management trustees were appointed by The Toronto Sheet Metal Contractors Association. The first Board of Trustees was:

Union Trustees

R.H. Bullock

H. Choma

J.A. Donnelly

C.M. Switzer, Secretary

Management Trustees

J.F.C. Heather

H.W. Rogers, Chairman

J.W. Pursley

EARLY CONTRIBUTIONS TO THE PENSION PLAN

The hourly wage rate earned by a Local Union 30 Journeyman was $2.80, and there was a $0.10 hourly contribution to the Sheet Metal Workers Local Union 30 Health and Welfare Plan, which had started in 1956. The contribution to the Welfare Plan was reduced to $0.055, and the remaining $0.045 was allocated to starting the Pension Plan. The Health and Welfare Trust Fund also transferred $50,000 to the new Pension Plan to help with initial costs.

THE ORIGINAL PENSION PLAN

BENEFIT FORMULA

In the beginning, all monthly pensions were calculated on the basis of Credited Service. Credited Service was defined as the number of hours a Member worked with a Contributing Employer for which contributions were received by the Pension Trust Fund.

A year of Credited Service was granted for 1,680 contributory hours. Prorated service was granted for more, or less, than 1,680 hours.

BENEFIT PAYMENTS

Past Service

To acknowledge the contribution of Union Members prior to the establishment of the Pension Plan, the Trustees provided a Past Service Benefit. This benefit paid a monthly pension of $1.46 The Trustees paid the Past Service Pension by referencing the Member's date of initiation into Local Union 30 or his/her age 45, whichever was later.

For working members each Credited Service Year (of 1,680 hours), the Pension Plan paid a monthly pension of $1.46.

RETIREMENT AGE

Pensions were paid in full upon retirement at Age 65 provided the retiring Member had at least 10 Years of Plan Membership. If not, full Pensions were not payable until 10 Years of Plan Membership was achieved. For example, a Member who joined the Pension Plan at Age 60 received a full Pension at Age 70. At this time there was no pension legislation requiring that a pension be payable at a certain age. The pension was paid to the Member for his/her lifetime. There was no provision for continuing benefits to spouses or other beneficiaries.

DISABILITY AND EARLY RETIREMENT PENSIONS

The Plan provided a Disability Pension. In addition, the Plan provided for early retirement (at age 50). In both cases the Member must have had 15 years of credited service in the Plan and be at least age 50. Pensions were paid to the Member for his/her remaining lifetime. There was no provision for continuing benefits to spouses or other beneficiaries.

TERMINATED MEMBERS

Members who terminated from the Pension Plan prior to retirement were entitled to receive 50% of their pension if they had at least 10 Years of Credited Service. Pensions were increased by 5% for each additional year, so that Members who terminated with at least 20 Years of Credited Service received 100% of their earned pension. Pensions were payable for the Member's remaining lifetime. There was no provision for lump sum payments on termination.

THE ORIGINAL PENSION PLAN

THE FIRST ACTUARIAL VALUATION

The Actuarial Valuation measured the assets of the Pension Plan available to pay benefits and compared this to the future cost of benefits payable to Members – whether they were retired or not.

An Actuarial Valuation of the Plan was completed at the end of 1959. There were 1,279 Active Members and 15 Retired Members. Retired Members were receiving an average monthly Pension of $29.89 that, of course, was mostly their Past Service Pension.

The assets of the Pension Plan were $118,672. The Plan had an Unfunded Liability of $247,565 that the Board of Trustees planned to pay off over the next 17 years. At this time there were no legislated funding standards for pension plans in Ontario.

HOURLY EMPLOYER CONTRIBUTION HISTORY

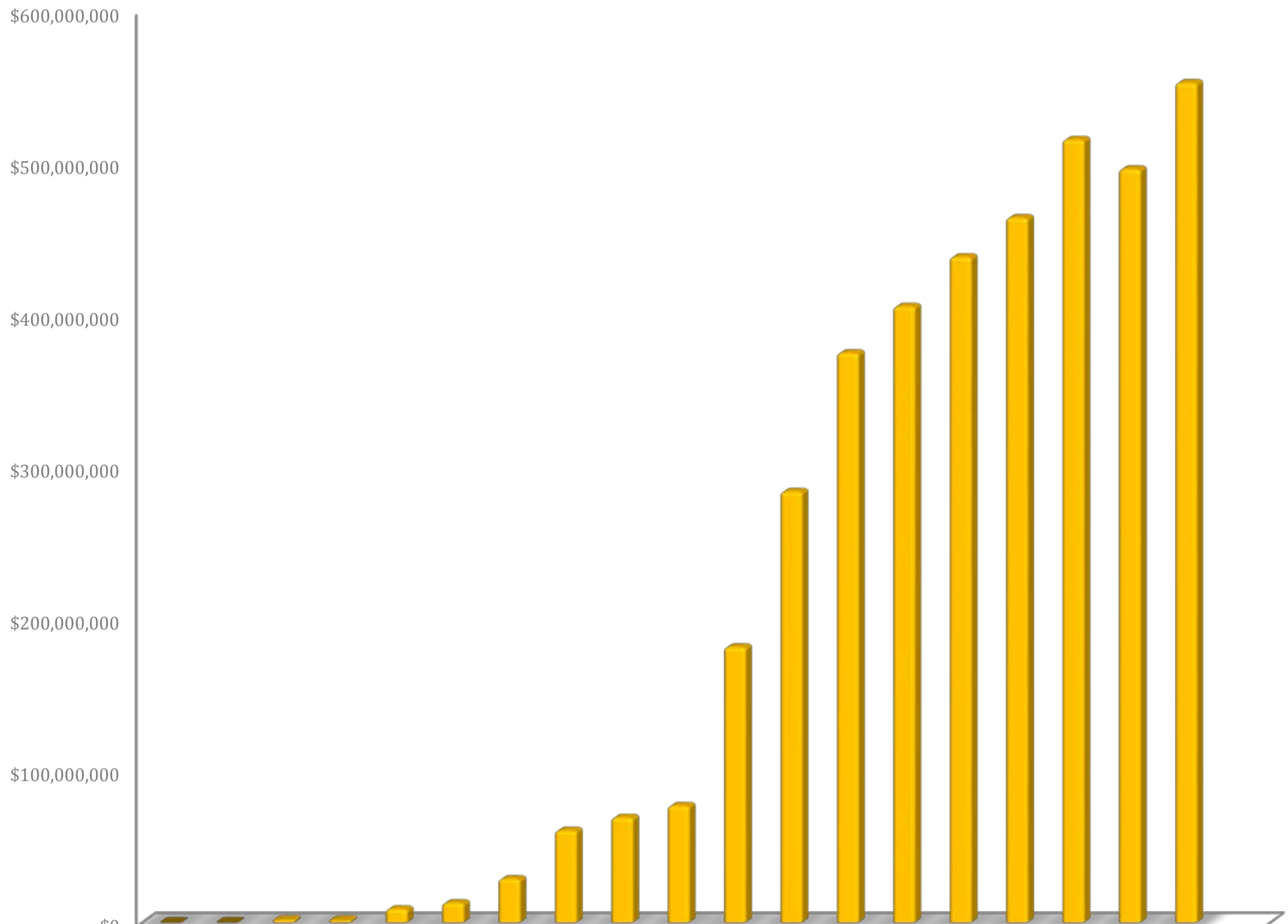
Hourly Employer Pension Plan Contribution Rates for Toronto, ON Journeymen

1956	$0.045
1962	$0.075
1967	$0.125
1972	$0.325
1976	$0.525
1980	$0.775
1981	$1.025
1983	$1.075
1985	$1.675
1986	$1.675
1988	$1.675
1993	$2.095
1997	$2.79
1998	$2.79
1999	$2.79
2000	$4.358
2001	$4.608
2002	$4.858
2003	$5.07
2004	$5.35
2005	$5.62
2006	$5.92
2007	$6.20
2008	$6.51
2009	$6.87
2010	$7.07
2011	$7.37
2012	$7.75
2013	$8.09
2014	$8.42
2015	$8.75
2016	$8.95
2017	$9.16
2018	$9.41
2019	$9.72

Please Note: Contribution rates are based on hourly contributions for a Journeyman in Toronto, Ontario

GROWTH IN PENSION PLAN ASSETS

Net Pension Plan Assets



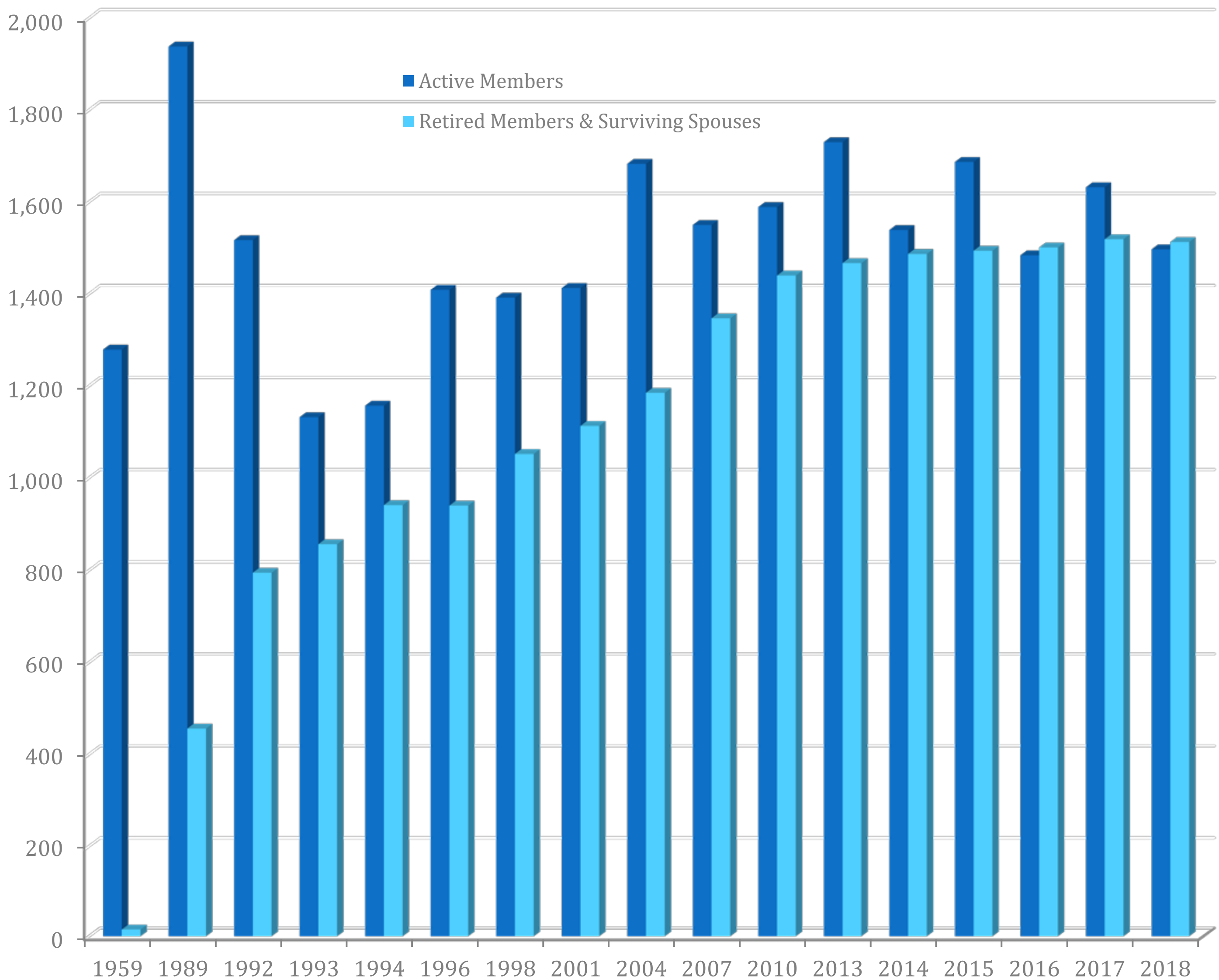
	1956	1959	1969	1970	1977	1980	1984	1988	1989	1990	1999	2009	2013	2014	2015	2016	2017	2018	2019
Pension Plan Assets ($000)	$50,000	$118,672	$1,973,3	$1,816,3	$9,327,9	$13,430,	$29,553,	$62,010,	$70,522,	$78,281,	$182,544	$284,715	$375,361	$405,900	$438,472	$464,206	$515,535	$496,232	$552,912

2019 Net Plan Assets are as of June 30, 2019

Please Note: Net pension plan assets are based on the Plan's actuarial valuation reports

GROWTH IN PLAN MEMBERSHIP

Plan Membership



Please Note: Enrollment figures are based on the Plan's actuarial valuation reports

PENSION PLAN TIMELINE

1956

- The Pension Plan began on January 1, 1956 when the Sheet Metal Workers Local Union 30 Welfare Plan transferred $50,000.00 to the Pension Trust Fund.
- The first hourly contribution to the Pension Plan was 4.5 cents per hour.

1959

- An Actuarial Valuation of the Plan was completed at the end of 1959 that showed 1,279 Active Members and 15 Retired Members. Retired Members were receiving average monthly Pensions of $29.89 that, of course, was mostly their Past Service Pension. The assets of the Pension Plan were $118,672. The Plan had an Unfunded Liability of $247,565 that the Board of Trustees planned to pay off over the next 17 years.

1960

- The Declaration of Trust and Trust Agreement between the Trustees and Montreal Trust Company were executed by the Board of Trustees.
- William M. Mercer Limited was appointed as the administrator to the Pension Plan effective July 1, 1959 for a fee of ¼ of 1¢ per hour per employee for whom a contribution was made into the Pension Plan.

1962

- Hourly Employer Pension contributions increased from $0.045 to $0.075.
- The Current Service monthly Pension increased to $2.60 for service on/after October 1, 1962.

1963

- Pensions of Active Members and Retired Members increased by 15%.

1964

- The Current Service monthly Pension increased from $2.60 to $3.00 for service on/after January 1, 1964.

1965

- At the July 27th, 1965, Board of Trustees' meeting, it was decided that the first individual Statement of Pension, showing each Member their benefits under the Plan would be issued.

PENSION PLAN TIMELINE

1967

- Hourly Employer Pension contributions increased from $0.075 to $0.125.
- The Current Service monthly Pension increased from $3.00 to $6.00 for service on/after January 1, 1967.
- Members who retired prior to January 1, 1968 were granted a minimum monthly Pension of $50.00. Members who retired on/after this date were granted the minimum monthly Pension of $50.00 provided they had at least 10 Years Credited Service.
- Members became vested after the attainment of 10 Years of Credited Service and Age 45, in compliance with the Ontario Pension Benefits Act (PBA).

1968

- The Unfunded Liability of the Pension Plan at December 31, 1968 was $127,495 and would be amortized over the next three years.

1969

- H.W. Rogers, Chairman is no longer a Member of the Board of Trustees.
- J.A. Donnelly became the Chairman and R. Hoult was appointed as the Co-Chairman.

1970

- Current Service monthly Pensions increased from $3.00 to $3.25, retroactive to January 1, 1959 through December 31, 1966 and $6.25 for Pensions earned on/after January 1, 1967.
- Minimum monthly Pensions for Retired Members increased to $75.00 with the same minimum for future Retired Members who had at least 10 Years of Credited Service.
- A section titled Pension Plan is added to the Sheet Metal Workers Local Union 30 Member Benefit Booklet.

1971

- The Plan was amended to add a Death Benefit, so that the Surviving Spouse of a Plan Member who died before retirement would receive 50% of the deceased Member's Earned Pension at Age 65. The Death Benefit continued until the Surviving Spouse's death or earlier remarriage. If the Member died after retirement, the Surviving Spouse immediately received 50% of the monthly Pension, terminating upon death or earlier remarriage.

1972

- Hourly Employer Pension contributions increased from $0.125 to $0.325.
- Current Service monthly Pensions increased to $11.50, retroactive to January 1, 1959 for Active and Retired Members.

PENSION PLAN TIMELINE

1974

- Members became vested if they had at least five Years Credited Service.

1975

- The Vesting Rule amended so that Terminated Members were fully vested if, upon termination, they had at least five calendar years membership in Local Union 30. Members who terminated before vesting would receive a refund of 50% of the contributions received by the Trust Fund (previously, there was no refund).
- The Trustees agreed to enter into Pension Reciprocal Transfer Agreements with other Sheet Metal Workers pension plans, so that any Member transferring to another plan that was Party to the Agreement, would be vested in this Plan, regardless of length of Membership. The Agreement contains other benefits to Members transferring in or out of Local Union 30.

1976

- Hourly Employer Pension contributions increased from $0.325 to $0.525.
- The Current Service monthly Pension increased to $13.50, retroactive to January 1, 1959. Normal Retirement Age was reduced to Age 63, with no reduction in previously-earned monthly Pension.

1980

- Hourly Employer Pension contributions increased from $0.525 to $0.775.
- The Current Service monthly Pension increased to $16.60, retroactive to January 1, 1959 through December 31, 1980.
- J.J. McAteer and Associates Incorporated became the consultant for the Pension Plan.
- Employee Benefit Plan Services Limited became the Pension Plan administrator.

1981

- Hourly Employer Pension contributions increased from $0.775 to $1.025.
- The Current Service monthly Pension increased to $28.60, for Pensions earned on/after January 1, 1981.
- Pensions paid to Members in Good Standing with Local Union 30 and Surviving Spouses were increased by 20% across the board.

1983

- Hourly Employer Pension contributions increased from $1.025 to $1.075.
- All Retired Members in Good Standing with Local Union 30 were granted an across the board pension increase of $25 per month.

PENSION PLAN TIMELINE

1985

- Hourly Employer Pension contributions increased from $1.075 to $1.675.
- The Current Service monthly Pension earned January 1, 1959 through December 31, 1980 increased from $16.60 to $19.10, provided the Member worked for a Contributing Employer between January 1, 1984 and May 31, 1985.
- The Current Service monthly Pension increased from $28.60 to $37.30 for Credited Service on/after January 1, 1985. Members in Good Standing with Local Union 30 could retire on an unreduced Pension as early as Age 60, provided that the Member had fully retired from any employment activity connected with the Sheet Metal Industry.
- Retired Members in Good Standing with Local Union 30 were granted an across the board pension increase of $36 per month; an $18 per month increase was paid to Surviving Spouses.

1988

- In order to comply with Ontario's new Pension Benefits Act, the Plan was amended in several areas, including:
  - Two Years Plan Membership Vesting, for Pensions earned on/after January 1, 1987;
  - Mandatory Joint and Survivor Pensions for retiring Members with a Spouse;
  - Portability of Pensions, so that Terminated Vested Members could transfer the Commuted Value of their Earned Pension to an approved plan, such as a Locked-In RRSP;
  - Pensions-in-pay to Surviving Spouses were continued until death;
  - Death Benefits must be provided to all Vested Members who die before retirement.

1989

- The Form of Accrued monthly Pension of all Pension Plan Members who had not yet retired (including Active, Inactive and Terminated Deferred Vested Members) that was heretofore expressed as "50% Spousal" was changed to "60% Spousal" (referred to in legislation as Joint and Survivor) such that the Pension would continue for the lifetime of the Retired Member and, upon the Member's death, 60% would be continued for the remaining lifetime of the Surviving Spouse. If the retiring Member did not have a Spouse, or the Spouse "signed off" his/her right to a Joint and Survivor Pension, then the Pension was payable for the remaining lifetime of the Retired Member with the proviso that, if the Retired Member died before having received 120 payments of monthly Pension, the remaining balance was paid to the Member's named beneficiary.
- Any Member who retired on/after January 1, 1988, and whose Pension was reduced in order to conform to the Act with respect to Joint and Survivor Pension, had that Pension increased retroactive to the later of January 1, 1988 or date retired, such that the reduction was eliminated.
- Effective with Pensions earned on/after January 1, 1987, the Current Service monthly Pension was increased from $37.30 to $66.00.

- The Accrued monthly Pensions of all Plan Members who had not yet retired (including Active, Inactive and Terminated Deferred Vested) were increased by a flat $2.00 per month per Year of Credited Service up to December 31, 1988.
- Retroactive to January 1, 1988, the monthly Pension of Retired Members was increased by the above-mentioned $2.00, or $1.20 with respect to Surviving Spouses.

1993

- Hourly Employer Pension contributions increased from $1.675 to $2.095.
- Every person in receipt of a Pension for the month of July 1993 was granted a 6% increase in that Pension.
- Members in Good Standing with Local Union 30, who were at least Age 60 on December 1, 1993 and who retired such that their monthly Pension started no later than December 1, 1993, were granted a 7% increase in monthly Pension.
- Members in Good Standing with Local Union 30, who retired before Age 60, had a reduction of 1/2% per month for each month of retirement in advance of Age 63. This reduction was applied only up to Age 60 for such persons. The full reduction still applied to Age 63 for persons who were not Members in Good Standing with Local Union 30.
- The previously-mentioned paragraph “30 and out” enhancement was implemented for long-service Members in Good Standing with Local Union 30 who retired at or after Age 53.

1995

- A Membership Meeting was held in March, 1995 at which the Members considered certain Pension Plan improvements. The Members approved an increase in the hourly contribution of 21¢ effective with hours worked on/after June 1, 1995, a further 23¢ effective May 1, 1996, and a further 25.5¢ effective May 1, 1997, such that the Hourly Employer Pension contribution increased in three stages from $2.095 to $2.79 effective with hours worked on/after May 1, 1997.
- The Current Service monthly Pension increased effective June 1, 1995 from $75 to $81 per Year of Credited Service, from $81 to $88 effective May 1, 1996.
- The Members also approved extending eligibility in the Pension Plan to certain Apprentices, Material Handlers and Sheeter Assistants.
- Effective June 1, 1995 Third Year Apprentices earned a monthly Pension of $45 per Year of Credited Service in return for an hourly contribution of $1.26, Fourth Year Apprentices/Material Handlers earned a monthly Pension of $52.50 in return for an hourly contribution of $1.47, and Fifth Year Apprentices/Sheeter Assistants earned a monthly Pension of $60 in return for an hourly contribution of $1.68.
- Effective February 24, 1995, all the Trustees of the Pension Fund were appointed by the Union or elected by Members. Prior to this date, 50% of the Board of Trustees was constituted by Contributing Employers.

PENSION PLAN TIMELINE

1997

- The Current Service monthly Pension increased $96 from $88 effective May 1st, 1997.
- The Board of Trustees were required to amend the Plan in order to conform to Revenue Canada's requirements for registration. Effective January 1, 1997 there would no longer be a refund equal to 50% of contributions for non-vested persons.
- Effective January 1, 1997, eligibility for a Disability Pension was amended such that, if the onset of disability was on/after January 1, 1997, the Member must have been disabled to the extent that he/she was unable to perform the duties of any occupation for which he/she is reasonably suited, having regard for his/her education, training or experience. If the onset of disability was on/before December 31, 1996, the previous eligibility rule still applied - that was, the person must be medically unfit to perform the duties required in the Sheet Metal industry.
- The Pensions earned to December 31, 1997 by all unretired Plan Members, including Terminated Vested Members, were increased by 7%. All persons in receipt of a Pension received an increase of 7% starting with their Pension for January 1998.

1998

- Prior to 1998, Barrie Area Members were covered by a separate pension plan, funded by hourly contributions approved by their Membership. In late 1997, Barrie Area Members resolved to wind up their pension plan and join this Pension Plan effective with contributions earned on/after January 1, 1998. During 1998, Barrie Area Members earned a monthly Pension of $32.52 per 1,680 Contributory Hours.
- During 1998, the Board of Trustees reviewed the method of calculating monthly Pensions having due regard for the fact that:
    1. At the time the Pension Plan was started in 1959 up until May 1995, the only Plan Members were Toronto Area Journeymen. Since the hourly contribution earned by Journeymen was the same amount – that is, when it changed it was changed for all Journeymen at the same time – during those 36 years, it was a relatively simple matter to determine the amount of monthly Pension that would be earned by these Members, since any increases to the hourly contribution rate took place at the same time, and applied equally to every Journeyman.
    2. As time passed, there were frequent increases in the hourly contribution rate, which meant that there were 10 time-related amounts of monthly Pension.
    3. Effective June 1, 1995, Apprentices, Material Handlers and Sheeter Assistants started to contribute to the Plan. There were three different hourly contribution rates resulting in three different amounts of monthly Pension.
    4. Effective June 1, 1998, Barrie Area Members joined the Plan. Their hourly contribution rate was different from any other group of Members and required another calculation to determine the amount of monthly Pension those Members would earn.
    5. As at December 31, 1998, the Pension Plan had five different classifications of Members and the Pension Plan was maintaining records for 14 different amounts of monthly Pension.

6. Changes in contribution rates that may not be applicable to all contributing Members would continue into the future and the method of calculating Pensions must be clear to all Members.
7. The Trustees amended the Pension Plan effective with contributions earned on/after January 1, 1999, so that the amount of annual Pension for every person was a percentage of contributions earned by each person. The percentage was 25.51%.

1999

- In 1999, the Trustees approved increases in Pension benefits, as follows:
  1. Every person who received a monthly Pension for December, 1999 was given an extra cheque equal to 5% of the entire amount he/she was entitled to receive throughout 1999. The amount of the average extra cheque was $344.18. This payment was a "one time" only event so that Retirees could share in the Pension Plan's surplus at December 31, 1998.
  2. The amount of Pension earned by every Active and Inactive Member to December 31, 1999, who did not retire in 1999, was increased by 2.5%.

2000

- In order to decrease expenses, the administrator took over the payment of all Pension benefits effective with payments due on/after January 1, 2000.
- Hourly Employer Pension contributions increased from $2.79 to $4.358.
- In order to further fund the Pension Plan, and to provide for higher pensions in the future, the Union membership voted to allocated 25% of any increase in the wage package to the Pension Plan.

2001

- Effective with contributions earned on/after May 1, 2001, annual Pensions were equal to 24.12% of contributions.
- Hourly Employer Pension contributions increased from $4.358 to $4.608.

2002

- Effective with retirements on/after May 1, 2002, Members retiring under the "30 and out" feature had to be at least Age 56. This "Window" allowed Members in Good Standing of Local 30 who were at least age 60 or who has both attained at least age 56 and also completed at least 30 years' (in total, and not necessarily consecutive) Membership to an unreduced Early Retirement.
- Hourly Employer Pension contributions increased from $4.608 to $4.858.

2003

- Effective with contributions earned on/after May 1, 2003 annual Pensions were equal to 23% of those contributions.

- Hourly Employer Pension contributions increased from $4.858 to $5.07.

2004

- Effective with contributions earned on/after May 1, 2004 annual Pensions were equal to 21% of those contributions.
- Hourly Employer Pension contributions increased from $5.07 to $5.35.

2005

- Because of the Pension Plan's funding position, effective May 1, 2005, the Pension Plan was amended to remove the entitlement of a Member to retire prior to Age 63 with an unreduced Pension.
- Members in Good Standing of Local Union 30 who retired in advance of Age 63 who would have qualified for an unreduced Pension under the former rules could still receive an unreduced Pension provided that their Pension started on/before April 1, 2006. Members in Good Standing of Local Union 30 who suffered a total and permanent disability that commenced on/before April 30, 2006 could also receive an unreduced Pension in accordance with the former rules.
- Hourly Employer Pension contributions increased from $5.35 to $5.62 for Journeymen in the Toronto, Ontario area.

2006

- Effective with contributions earned on/after May 1, 2006 annual Pensions were equal to 20% of those contributions.
- Effective May 1, 2006, the Pension Plan was amended to extend the provisions of the Enhanced Early Retirement "Window" to April 30, 2007.
- Hourly Employer Pension contributions increased from $5.62 to $5.92 for Journeymen in the Toronto, Ontario area.

2007

- Effective May 1, 2007 the Pension Plan was amended to extend the Enhanced Early Retirement "Window" to April 30, 2008.
- Effective December 1, 2007 the Pension Plan was amended to extend the Enhanced Early Retirement "Window" to April 30, 2009.
- Every person who was a Pension Plan Member, whether Active or Terminated Deferred Vested, became entitled to receive an unreduced monthly Pension upon retirement on or after his/her 63rd birthday, which is the Normal Retirement Age of the Pension Plan.
- Effective January 1, 2007, the Pension Plan was amended to increase the age for the mandatory commencement of a monthly Pension from the Pension Plan from 69 to 71.

PENSION PLAN TIMELINE

- Effective December 11, 2007 the Pension Plan was amended to clarify that a Disability Pension is not commutable.
- Hourly Employer Pension contributions increased from $5.92 to $6.20.
- During the summer and fall of 2007 Barrie Pension contributions were increased to match the Toronto contribution rates.

2008

- Effective April 1, 2008, a Plan Member, whether a Member in Good Standing or not, must have a period of at least 24 consecutive months during which no Employer contributions have been received on his behalf before he/she is eligible to receive a Termination Benefit.
- The Trustees made application to the Financial Services Commission of Ontario to have the Pension Plan declared a Specified Ontario Multi-Employer Pension Plan (SOMEPP) so that the Plan could take advantage of special funding rules. This application was accepted and the Pension Plan is now recognized as a SOMEPP.
- Hourly Employer Pension contributions increased from $6.20 to $6.51.

2009

- Further to the recommendation of the Pension Plan's actuary, and due to the losses the Pension Plan sustained due to the 2008 financial markets crisis, the Trustees closed the Enhanced Early Retirement Window effective April 1, 2009.
- Hourly Employer Pension contributions increased from $6.51 to $6.87 for Journeymen in the Toronto, Ontario area.

2010

- Hourly Employer Pension contributions increased from $6.87 to $7.07 for Journeymen in the Toronto, Ontario area.

2011

- Effective January 1, 2011, Plan Members were given Internet access to their personal Pension and Welfare information through the Plans' web site www.lu30plans.com.
- Hourly Employer Pension contributions increased from $7.07 to $7.37 for Journeymen in the Toronto, Ontario area.
- Application was made to have the Plan continued as a SOMEPP – Specified Ontario Multi Employer Pension Plan – the designation meant the Plan did not have to fund any solvency deficits.

PENSION PLAN TIMELINE

2012

- Hourly Employer Pension contributions increased from $7.07 to $7.75 for Journeymen in the Toronto, Ontario area.
- The Plan was amended to provide immediate vesting and introduced an eligibility waiting period.
- A Plan Member who was an Active Member on/after July 1, 2012 became automatically vested under the Plan.
- By the introduction of an eligibility waiting period a person who became an Employee on or after July 1, 2012 would be eligible to become a Plan Member on the January 1 next following the attainment of either:
    - Earnings of not less than 35% of the Year's Maximum Pensionable Earnings (YMPE) prescribed under the Canada Pension Plan with one or more Employers; or
    - Seven hundred (700) hours of employment with one or more Employers, in each of two consecutive years while an Employee.

2013

- On July 1, 2013, eligible Canadians were allowed to voluntarily defer commencement of OAS (Old Age Security) benefits for up to five years and receive a higher, actuarially adjusted OAS benefit.
- Hourly Employer Pension contributions increased from $7.75 to $8.09 for Journeymen in the Toronto, Ontario area.
- On November 1, 2013, the federal budget proposed that the age of eligibility for Old Age Security (OAS) pension and Guaranteed Income Supplement (GIS) would gradually increase from age 65 to age 67 over six years, starting in April 2023. This was subsequently abandoned by the next federal government.

2014

- Hourly Employer Pension contributions increased from $8.09 to $8.42 for Journeymen in the Toronto, Ontario area.
- Effective with contributions earned on/after September 1, 2014 annual Pensions were equal to 15% of those contributions.
- Effective September 9, 2014, if a terminated Member elected to transfer his/her Pension from the Plan, his/her transfer amount is adjusted by multiplying it by the Plan's Transfer Ratio. This would result in a lower amount being paid out to the terminated Member and curbed financial losses to the Plan. Terminated Members retained the right to receive a Pension from the Plan.

2015

- Hourly Employer Pension contributions increased from $8.42 to $8.75 for Journeymen in the Toronto, Ontario area.

- Effective November 1, 2015, a Plan Member who applies for a disability pension must be a Member in Good Standing of Local Union 30 at the time of the application and on the date the disability pension commences.

2016

- Hourly Employer Pension contributions increased from $8.75 to $8.95 for Journeymen in the Toronto, Ontario area.
- The federal government announced that the age of eligibility for Old Age Security (OAS) pension and Guaranteed Income Supplement (GIS) benefits would remain at 65.
- The Plan was amended to provide that the surviving spouse of a Member of the Pension Plan who dies prior to commencing a pension may elect to receive an immediate or deferred pension from the Plan.

2017

- Hourly Employer Pension contributions increased from $8.95 to $9.16 for Journeymen in the Toronto, Ontario area.
- The Plan was amended that when there is a private dispute outside of the Plan over the pension payable by the Plan that the expenses for this dispute are paid by the parties to the dispute. This ensures the Plan is not paying legal and other costs to manage private disputes.
- The Plan was amended to limit voluntary contributions by Plan Members to those approved in advance by the Trustees.
- The Plan was amended to change the definition of spouse to conform with the Pension Benefits Act; a spouse now includes a parent of a child resulting from surrogacy or assisted production.

2018

- Hourly Employer Pension contributions increased from $9.16 to $9.41 for Journeymen in the Toronto, Ontario area.
- The Plan's first female trustee, Shannon Kilgar, was elected by Members.

2019

- Hourly Employer Pension contributions increased from $9.41 to $9.72 for Journeymen in the Toronto, Ontario area.
- The Plan was amended to set the time period for the filing of election forms by Terminated Members to 90 days from 120 days after which time the person is deemed to have elected a deferred pension.
- The Plan regulator's name changed from the Financial Services Commission of Ontario (FSCO) to the Financial Services Regulatory Authority (FSRA). This did not change any Plan benefits.

CONTACT INFORMATION

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Sheet Metal Workers Local Union 30, Board of Trustees

1. **Chairman -** A.E. White
2. **Co-Chairman** – M. Roberts
3. F. Canonico
4. S. Kilgar
5. B. LaFave
6. B. Wilkinson

LEGISLATION AFFECTING THE PLAN

When the Pension Plan was started in 1959 there was no legislation for pension plans in Ontario. Pension legislation started to evolve in 1965, around the time the Canada Pension Plan was started.

BENEFITS FOR SPOUSES

Until 1987 there was no requirement that a plan member consider providing a benefit to his/her spouse on retirement. Prior to 1987 social policy makers were concerned about the rate of poverty in the senior population, particularly for women over age 65. Our pension system had overlooked that, in prior decades, many women worked in the home and did not earn a pension independent of their spouse. With no laws requiring a spousal benefit, many plan members were not aware of the need to consider that their spouse may outlive them. Effective January 1, 1987 the Ontario Pension Benefits Act was amended to require that a retiring member must provide a pension that continues at least 60% of his/her pre-death pension to his/her spouse. This was called a "joint and survivor pension". Spouses were permitted to waive this pension right by filing the applicable waiver form with the pension plan before the first pension payment was issued. Spouses were also automatically entitled to 100% of the benefit earned after 1987 if the plan member died before retirement. This legislation succeeded in refocusing families on the need for budgeting for pension income and effective estate planning.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ISSUES IN INVESTING

Pension plan are required to consider ESG issues when making investments for the pension plan. ESG issues include director compensation, climate change policies and labour policies. There is no requirement that pension plans must invest their assets favoring ESG issues – just that they are considered. There is a school of thought that pension plans that invest in favour of ESG issues perform better than those that don't. Plans are required to ensure plan members have access to the plan's policies around ESG investing.

FUNDING

Because there were no set rules about pension plan funding, the Trustees of the Plan were able to provide Past Service Benefits to persons who were able to contribute little, or not at all, to the Plan due to their age. The first valuation of the Pension Plan showed that its liabilities were more than twice its assets.

In the early 2000's pension regulators began to develop new rules for pension plan funding. The regulators developed rules for "solvency funding" of pension plans – a system that would use the same rules for all pension plans so that the health of each pension plan could be measured against all others. The regulator's goals was that, once solvency funding became law, all pension plans would be required to immediately make up any deficiency detected in the funding review. For corporations, this would mean that a lump sum payment, or set of payments over a year, would need to be added to the pension plan.

LEGISLATION AFFECTING THE PLAN

Solvency funding rules were developed at a time of very high interest rates and interest rates were an important part of the solvency calculation. At the time there was no real consideration given to the idea that interest rates could drop dramatically.

Unfortunately, in the 2000's interest rates did fall and corporations found it very difficult to fund their pension plans. Pension plan liabilities, measured under solvency, rules began to increase and put many corporations under financial stress. Corporations began to wind up their defined benefit pension plans sometimes replacing them with defined contribution pension plans. Corporations believed that, by implementing a defined contribution pension plan, liabilities would be fixed to the contribution required to be made to the pension plan.

Around 2006 pension regulators began to understand that solvency funding was having a negative impact on pension plan coverage in Canada. Interest rates were falling to record lows. Member benefits in defined contribution plans were not certain and may not be sufficient to provide a financially secure lifetime retirement income. Life expectancy was increasing so pension plans needed to provide for incomes for longer and longer periods of retirement. Regulators began to relax solvency funding rules, giving temporary relief from solvency funding by allowing deferred payments.

MULTI-EMPLOYER PENSION PLANS AND FUNDING

Multi-employer pension plans, like the Sheet Metal Workers Local Union 30 Pension Plan, were often forgotten while pension laws were being formulated. Trustees and plan members had to be active to ensure that their plans were not forgotten. In particular, many trustees and pension experts believed that solvency funding was not an appropriate measure of multi-employer pension plan health. This was because these plans, by definition, were funded by many employers – not just one employer. Pension regulators introduced legislation to provide temporary solvency funding relief to multi-employer pension plans. Most regulators in Canada are currently searching for new funding rules for multi-employer plans. Some jurisdictions have labeled multi-employer plans "target benefit plans" highlighting that benefits can change. In the Maritimes the term "shared risk" was developed to show that both the plan sponsor and the plan's members can be impacted by the plan's funding – benefits could be reduced (or improved) and higher contributions might be needed from members if the plan's sustainability is at risk. Overall, the multi-employer pension plan regulatory environment is changing to one that makes it clear that pensions are not guaranteed and levers such as benefit levels and contributions have to be seen as flexible and moveable.

In 2018 the provincial government began discussions around a new funding model for multi-employer pension plans. The model, if approved, would require a set amount of surplus to be in the pension plan before benefits could be improved. The surplus amount would be established under regulation and would relate to the plan's asset mix and theoretically to its equity risk. A pension plan with 50% of its assets invested in equites would need a surplus of about 10%.

LEGISLATION AFFECTING THE PLAN

MARRAGE BREAKDOWN

Effective January 1, 2012 new rules for the valuation and division of pension assets upon breakdown of spousal relationship came into effect. One of the new rules is that a former spouse of a Plan Member may be entitled to immediate payment of his/her share of the pension assets. The Plan will charge a fee permitted under applicable legislation for its services to provide the marriage breakdown information that must be given under pension legislation.

UNLOCATED MEMBERS

Pension regulators in Canada have become concerned about the number of pension plan members who have forgotten about an entitlement under a former pension plan. Pension plans are now obliged to have a policy for trying to find" unlocated members".

VESTING – THE RIGHT TO A PENSION BENEFIT

When pension legislation was introduced in Ontario pension plans provided for very long "vesting periods"– the amount of time a person must be a member of the plan before he/she became entitled to any benefit. The permitted rule was that, to be entitled to a benefit at retirement, the member must be both age 45 *and* have had a minimum of 10 years plan service.

In 1987 the Ontario government commenced significant reforms to pension law. Regulators were concerned that pension plan members, who were becoming more mobile – working for more than one employer during their career – were leaving pension benefits behind due to obsolete vesting rules. On January 1, 1987 the Ontario Pension Benefits Act was amended to require that a member be entitled to pension plan benefits once two years of plan membership had been achieved.

On July 1, 2012 the Pension Benefits Act was amended to require immediate vesting of all pension benefits.