A SUMMARY PLAN DESCRIPTION

FOR THE

ASBESTOS WORKERS PENSION PLAN OF ALBERTA

Revised: August 2009

ASBESTOS WORKERS PENSION PLAN OF ALBERTA

International Association of Heat &
Frost Insulators & Allied Workers Local 110
9335 – 47 Street
Edmonton, Alberta
T6B 2R7
Telephone: (780) 426 – 2874

Dear Plan Participant:

We are pleased to provide you with this Summary Plan Description for the Asbestos Workers Pension Plan of Alberta. This summary will give you an understanding of:

- How you become a participant
- What your benefits are; and
- How your benefits are calculated

As a Plan participant, you have certain responsibilities. It is important that you understand how the Plan works. That is why we urge you to read this booklet carefully. It is also good to share it with your family so that they are aware of your pension benefit as well as any survivor benefit to which they may become entitled. Lastly, you should review your spousal and beneficiary declarations at least annually to ensure they are correct and up-to-date. Any required or desired changes should immediately be reported to the Pension Manager.

We have tried to describe the Plan's provisions as clearly as possible in a plain and straightforward manner. However, this is only a summary of the Plan. If there is any conflict between this summary and the Rules and Regulations, the Rules and Regulations will apply as explained in the Disclaimer Clause.

Sincerely,

BOARD OF TRUSTEES

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DISCLAIMER CLAUSE

The following is a Summary Plan Description for the Asbestos Workers Pension Plan of Alberta, revised August 1, 2009.

This Summary is for your GENERAL INFORMATION ONLY and it does not, in and of itself, create or confer any rights, entitlements, or obligations on the part of either a participant of the Asbestos Workers Pension Plan or the Board of Trustees thereof.

The exact terms, conditions and provisions of the coverage of the Pension Plan provided for herein, are to be found in the following documents:

1. Agreement and Declaration of Trust effective the 7th day of January, 1976, executed between the International Association of Heat and Frost Insulators and Asbestos Workers, Local Union 110, and John Kovaluk, Henry R. Stock, James J. LaLonde, Gordon R. Butler, and Rudy Weiderspeil;

2. Agreement and Declaration of Trust effective the 14th day of September, 1981, executed between the International Association of Heat and Frost Insulators and Asbestos Workers, Local Union 110, and the International Association of Heat and Frost Insulators and Asbestos Workers, Local Union 126, and Donald Beck, Leland Vollrath, James LaLonde, Thomas Chapple and Dale Russell;

3. Agreement and Declaration of Trust effective the 10th day of September, 2004, executed between the International Association of Heat and Frost Insulators and Asbestos Workers, Local Union 110, and Daryl Clouston, Bert Arfinson, Thomas Chapple, Blake Schultz and Reg Gravelle; and

4. Rules and Regulations of the Asbestos Workers Pension Plan of Alberta, as amended and restated effective January 1, 2008 together with subsequent amendments accepted and ratified by the Board of Trustees from time to time.

This Summary is NEITHER the Agreements and Declarations of Trust NOR the Rules and Regulations of the Plan as cited above.

The Board of Trustees of the Asbestos Workers Pension Plan of Alberta hereby disclaims any liability and it shall not be liable for any damage, loss or injury that is suffered, will be suffered, or is likely to be suffered by any participant of this Plan, his heirs, executors, administrators, legal representatives, successors, or assigns, by reason of, and without limiting the generality of the foregoing, any reliance a member of the Plan may put on the terms, conditions and provisos contained in this Summary as allegedly setting out the rights, obligations, and entitlements of the members and the Board of Trustees of the Plan.

If there is any discrepancy or conflict between the terms, conditions and provisos contained in this Summary and that which is contained in either of the Agreements and Declarations of Trust or the Rules and Regulations of the Plan, the terms, conditions and provisos contained in the Agreements and Declarations of Trust or the Rules and Regulations of the Plan as cited above shall take precedence over that which is contained in the following Summary and shall govern the rights, obligations, and entitlements of the members and Board of Trustees of the Plan.

Executed copies of all of the above documents are held at the office of the Administrator of the Plan:

International Association of Heat & Frost
Insulators & Allied Workers, Local Union 110
9335 – 47 Street
Edmonton, Alberta
T6B 2R7

and may be examined there at any reasonable time by a participant of the Plan.

1. THE PLAN IN GENERAL

The Asbestos Workers Pension Plan of Alberta was established January 7, 1976 as a result of a collective bargaining agreement between employers and the Union. Its main purpose is to provide you with retirement benefits.

You are covered by this Plan if you are an employee working under a collective bargaining agreement between an employer and the Union, or, another agreement acceptable to the Trustees that requires your employer to make contributions to the Plan on your behalf.

Under this Plan, there is a normal, early retirement, deferred, disability, spouse's and pre-retirement survivor's pension. There is also a termination benefit and a death benefit. A description of the types of benefits available under the Plan; when you are eligible to receive a benefit; and how much you will receive are described in this summary.

The Plan described in this summary is effective January 1, 2008, the effective date of the last Plan amendment. It applies to all eligible employees of contributing employers and participants of the Plan on or after January 1, 2008.

Unless specifically stated otherwise, benefit entitlement of former participants who retired, terminated or died before January 1, 2008 will be governed by the Plan in effect at the time of retirement, termination or death.

If you have any questions about this summary or the Plan, please send your written questions to the Fund Office.

International Association of Heat & Frost
  Insulators & Allied Workers, Local Union 110
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2. DEFINITIONS

There are some important terms used throughout this booklet which we will clarify here. Full definitions are included in the plan text.

Commuted Value - The current lump sum value of a future monthly benefit.

Contributing Employer - An employer that makes contributions to the Plan on your behalf in accordance with a collective bargaining agreement or other agreement acceptable to the Trustees.

Contribution Date - The date for which your first contributing employer first makes contributions to the Plan on your behalf.

Contributory Hours of Work – Hours of work while you were working for a contributing employer for which the employer is required to make contributions to the Plan.

Former Participant – You are a “former participant” if you are vested and have not worked at least 350 contributory hours within 3 consecutive years and have left your pension in the Plan.

Normal Retirement Age - Age 60, or if later, your age when you meet the rules for participation in this Plan.

Participant – You are a participant if you work for a contributing employer who contributes to the Plan on your behalf and you meet the minimum rules to participate in the Plan. Refer to Section 3 for more details on how you become a participant.

Pension Credit - The sum of your years and complete months of past service credit and future service credit. Refer to Section 4 for more details on how you receive future service credit and past service credit.

Permanent Break in Service - When you fail to work 350 contributory hours within 3 consecutive years, or, if you elect the portability option after you incur a Statutory Break in Service.

Spouse - A person who is married to you and is not living separate and apart from you for 3 or more consecutive years. If you are not in a qualified married relationship, a person with whom you are living in a marriage-like relationship for at least 3 years or in a relationship of some permanence if there is a child or the relationship by birth or adoption.

Statutory Break in Service - When you fail to work 350 contributory hours within 2 consecutive years.

Vested Status or Vested – Being “vested” or having “vested status” means you have earned the right to a pension benefit from the Plan when you retire. You cannot lose this right, even if you stop working for a contributing employer.

Year - The period from January 1 to the next December 31.

Yearly Average Hours - The average of the annual hours you worked in any 3 of your highest 5 consecutive years, but no more than 1,750 hours per year.

Years of Vesting Service - Once you are a participant, you get 1 year of vesting service for each year after your contribution date in which you work 350 or more contributory hours in covered employment.

YMPE - Year's Maximum Pensionable Earnings refers to the maximum amount of salary on which contributions may be made to the Canada Pension Plan. This maximum increases each year and is set by the Canada Pension Plan. For 2009 the YMPE is $46,300.

3. WHO CAN JOIN THE PLAN?

You are eligible to join this Plan if you work for an employer who has:

- a collective bargaining agreement with the Union to contribute to the Plan on your behalf; or
- an agreement with the Trustees to contribute to the Plan on your behalf.

When Do I Become A Participant?

If You Work Under a Collective Bargaining Agreement -

You will become a participant on the first of the year after completing 350 contributory hours of work in 2 consecutive years. To join the Plan, you must file a written application with the Fund Office.

Examples:

Jim works 100 contributory hours in 1999 and 250 contributory hours in 2000 under a collective bargaining agreement. He filed his application with the Fund Office. Jim became a participant on January 1, 2001.

Don works 350 contributory hours under a collective bargaining agreement in 2000. He filed an application with the Fund Office. However, because of the 2-year rule, Don must wait until January 1, 2002 to become a participant.

If You Work Under Any Other Type of Agreement -

You will become a participant on the first of the year after completing 350 contributory hours of work in 2 consecutive years and your earnings are least 35% of the YMPE in each of the 2 years. To join the Plan, you must file a written application with the Fund Office.

Example:

Tracy works 150 contributory hours in 1999 and 225 contributory hours in 2000 under another type of agreement. She has more than 350 contributory hours in 2 years. In order for Tracy to become a participant on January 1, 2001, she must also:

- earn at least $13,090 in 1999 (35% of the 1999 YMPE);
- earn at least $13,160 in 2000 (35% of the 2000 YMPE); and
- file her application with the Fund Office.

4. HOW DOES MY WORKING TIME COUNT?

The amount of time you work for a contributing employer counts in 2 separate and equally important ways, for:

- earning pension credits; and
- becoming vested in the Plan.

Pension Credit

You earn pension credits for the time you work for a contributing employer both before and after contributions are first made to the Plan on your behalf. Your pension credits help to determine when you are eligible for a pension and how much your monthly pension will be. Here's how this works:

Before Your Contribution Date - Past Service Credit

Provided you have at least 350 contributory hours of work in the 12 months immediately before your contribution date, you will receive past service credit determined on the basis of your continuous union membership. The amount of your past service credit is the number of years and completed months of continuous union membership from your most recent union initiation date up to your contribution date.

If you were a member of Local Union 126, you will receive past service credit only if the Fund had received the required contributions for the period January 1, 1976 to December 31, 1979 by December 31, 1980.

After Your Contribution Date - Future Service Credit

Each year after your contribution date you will receive ¼ of a year of future service credit for every 350 contributory hours of work for which contributions are made to the Fund. You may not earn more than 4/4 of a year of future service credit in any 1 year. For purposes of determining your monthly pension amount, you will receive future service credit based on the actual number of contributory hours of work.

Example:

> Artie has been a member of Local 110 since May 17, 1967 and he worked over 350 hours in covered employment in 1975. The Plan was established on January 7, 1976 and Artie's employer started making contributions on his behalf in 1976. Artie worked a total of 39,544.75 contributory hours from 1976 to 2000 and he earned 4/4 of a year of future service credit each year except:
>
> - in 1989 he worked 761 hours and earned 2/4 of a year of future service credit;
> - in 1990 he worked 1,172 hours and earned 3/4 of a year of future service credit;
> - in 1991 he worked 916.5 hours and earned 2/4 of a year of future service credit;

- in 1995 he worked 1,011 hours and earned 2/4 of a year of future service credit;
- in 1996 he worked 1,200 hours and earned ¾ of a year of future service credit;

As of December 31, 2000, Artie has accumulated 8 years and 7 months of pension credit before his contribution date plus 23 years of pension credit after his contributions began. Artie's total years of pension credit are 31.58 and his pension will be calculated using the 8 years and 7 months of past service credit and 39,544.75 hours of future service credit.

Can I Earn Additional Pension Credit?

Yes. If you have worked at least 350 contributory hours in covered employment during the year, you may increase your hours to a maximum of 2,800 hours by making voluntary self-payments at the contribution rate in effect at that time. The Fund Office will only accept payments within 4 months after the Plan's year-end. No self-payments will be allowed for the year you retire. If you wish to make voluntary self-payments, please contact the Fund Office to obtain the required application form.

Vesting Service

In addition to receiving pension credit, you are also earning years of vesting service. Your vesting service is used to determine your vested status. You will receive 1 year of vesting service for each year after your contribution date in which you complete at least 350 contributory hours of work in covered employment. If you have past service credit, you will receive 1 year of vesting service for each year, and a fraction of 1 year for each complete month, before your contribution date.

After you become a participant and have at least:

(i) 2 years of vesting service, or

(ii) 5 years of pension credit, or

(iii) reached normal retirement age,

your benefits will be vested. This means you have earned the right to receive a pension from the Plan. You cannot lose this right even if you stop working for a contributing employer.

Is It Possible To Lose My Years of Pension Credit and Vesting Service?

Yes. This can happen if your benefits are not vested and you have a permanent break in service. A permanent break in service occurs if you do not work at least 350 contributory hours in covered employment within any period of 3 consecutive calendar years after your contribution date. You will also lose your years of pension credit and vesting service if your benefits are vested, incur a statutory or permanent break in service and elect the portability option. Refer to Section 5 for more details on the portability option.

Example:

Harry began working for a contributing employer in 1993. From 1993 to 2000, he worked the following hours in covered employment:

1993	200
1994	250
1995	600
1996	152
1997	0
1998	0
1999	0
2000	250

Harry became a participant on January 1, 1995 since he worked at least 350 hours in the 2 years, 1993 and 1994. For the year 1995, he earned 1 year of vesting service because he worked at least 350 hours. He also earned 1/4 year of future service credit. For the 3 years 1996, 1997 and 1998, Harry did not work 350 hours. Therefore, Harry had a permanent break in service on December 31, 1998. Since Harry did not have 2 years of vesting service, he lost the pension credit and vesting service earned to 1996. When Harry returned to work in 2000, he was treated as a new employee. He must re-satisfy the rules to become a participant.

5. WHEN AM I ELIGIBLE FOR A BENEFIT?

There are four types of pensions available under this Plan: normal, early retirement, deferred and disability pension. This section describes your eligibility for each type of pension as well as your eligibility for a termination benefit. Please note that in order to receive any benefit, you must submit a written application on a form approved by the Trustees. You may get a copy of the form from the Fund Office.

Normal Pension

You are eligible for a normal pension if you:

- are a participant;
- are at least age 60;
- are vested; and
- are no longer working in covered employment.

You may not delay receiving your pension beyond the end of the calendar year in which you reach age 71.

Early Retirement Pension

You are eligible for an early retirement pension if you:

- are least age 50;
- are vested;
- have worked at least 350 contributory hours in the 3 years before the date you retire; and
- are no longer working in covered employment.

Deferred Pension

You are eligible for a deferred pension if you:

- are vested;
- are between the ages of 50 and 59;
- have not worked at least 350 contributory hours in 3 consecutive years; and
- have not elected the portability option.

Disability Pension

You are eligible for a disability pension if you:

- become totally and permanently disabled while you are a participant
- are not eligible to retire on a normal pension; and
- have at least 3 years of pension credit.

Totally and Permanently Disabled

You are considered totally and permanently disabled, if the Trustees, in their sole and absolute discretion, determine on the basis of written certification from a medical doctor who is licensed to practise under the laws of the province in which you live that:

(i) you are totally unable, as a result of physical or mental impairment, to engage in or perform duties of any occupation for remuneration or profit, except such gainful occupation or employment which, in the opinion of the Trustees, is likely to lead to rehabilitation; and

(ii) your disability will be permanent and continuous for the remainder of your life.

You may obtain the necessary forms from the Fund Office and have them completed by your doctor. You may be required to be examined by a medical doctor or doctors selected by the Trustees, and if your application is approved, you may be required to be re-examined periodically as the Trustees see fit.

Termination Benefit

You are eligible for a termination benefit if you:

- have at least 1 year of future service credit;
- are not vested;
- have not met the requirements for any type of pension available under the Plan; and
- have not worked at least 350 contributory hours in 3 consecutive years.

Portability Option

You may choose the portability option if you:

- have a statutory break in service or a permanent break in service; and
- have not reached age 50.

By choosing the portability option, you may transfer the commuted value of your pension to a locked-in RRSP or to another pension plan, if that plan permits.

If at your statutory break in service you wish to choose the portability option, you must inform the Fund Office and a transfer statement will be sent to you. Once you have received the transfer statement, you have 90 days to complete the form and submit your written notification and any other documents, as required, to the Fund Office.

If you did not choose the portability option at your statutory break in service, you will be sent a termination statement when you incur a permanent break in service. If you then wish to choose the portability option, you must complete the application form and submit your written notification and any required documents to the Fund Office within 90 days of receiving the termination statement.

If you fail to make an election during the required time period, you will receive a monthly pension benefit beginning at retirement. Once you have chosen the portability option, you will not be entitled to any further benefits from the Plan.

Upon your death, your surviving spouse is also eligible to choose the portability option.

6. HOW MUCH WILL MY PENSION BE?

The amount of your pension depends on your years and complete months of past service credit and your future service credit hours. Please note that only future service credit hours for which the Trustees have received contributions will be used to calculate your benefit. If your monthly pension amount is not a whole dollar amount, it will be rounded to the next higher whole dollar amount.

Normal Pension

Your monthly normal pension is the sum of:

- $28 for each year of past service credit, and
- $28 for each 1,000 hours of future service credit accrued to December 31, 1998;
- $45 for each 1,000 hours of future service credit accrued between January 1, 1999 and December 31, 2006;
- $55 for each 1,000 hours of future service credit accrued between January 1, 2007 and December 31, 2007; and
- $65 for each 1,000 hours of future service credit accrued on and after January 1, 2008.

Example:

Gordon is retiring at age 60 with:

- 5 years and 9 months of past service credit
- 29,694 hours of future service credit (23,484 hours accrued up to December 31, 1998 and 6,210 hours accrued after January 1, 1999 but before January 1, 2007)

Gordon's benefit is calculated as follows:

(i) past service amount

5.75 x $28 = $161.00

(ii) future service amount

23,484 ÷ 1,000 x $28 = $657.55

6,210 ÷ 1,000 x $45 = $279.45

$657.55 + $279.45 = $937.00 total future service amount

(iii) past service amount + future service amount = total monthly amount

$161.00 + $ 937.00 = $1,098.00

Gordon's normal pension will be $1,098.00 per month.

Early Retirement Pension

If you were a participant in the Plan on January 1, 2007 and you had attained 49 years of age prior to that date, your early retirement pension is calculated the same way as a normal pension but is then reduced by:

- For benefits accrued to December 31, 1991: 0.1667% for each complete month you are younger than age 60 at your retirement date
- For benefits accrued on and after January 1, 1992: 0.2500% for each complete month you are younger than age 60 at your retirement date.

Example:

Ken is retiring early in 2006 at age 55 years and 6 months with:

- 37,896 hours of future service credit broken down as follows:
  - 9,000 hours accrued before December 31, 1991
  - 28,896 hours accrued after January 1, 1992 (21,549 hours accrued up to December 31, 1998 and 7,347 hours accrued after January 1, 1999 but prior to January 1, 2007)

Ken is retiring 54 months younger than age 60 and his reduced benefit is calculated as follows:

For service accrued to December 31, 1991	For service accrued after January 1, 1992
9,000 hours ÷ 1,000 × \$28 = \$252.00	21,549 hours ÷ 1,000 × \$28 = \$603.37
	7,347 hours ÷ 1,000 × \$45 = \$330.62
	\$603.37 + \$330.62 = \$933.99
.1667% × 54 months = 9%	.25% × 54 months = 13.50%
100% - 9% = 91%	100% - 13.50% = 86.50%
\$252.00 × 91% = \$229.32	\$933.99 × 86.50% = \$807.90

$229.32 + $ 807.90 = $1,037.22 early retirement pension

Ken’s early retirement pension is rounded to $1,038.00 per month.

If you were not a participant in the Plan on January 1, 2007 or you had not attained 49 years of age prior to that date, your early retirement pension is calculated the same way as a normal pension but is then reduced by:

- 0.45% for each complete month you are younger than age 60 at your retirement date.

Deferred Pension

If you are eligible for a deferred pension, your monthly pension is calculated in 1 of 2 ways, depending upon your age when you retire and when you incurred a permanent break in service.

For Former Participants Whose Last Permanent Break in Service Occurred After December 31, 1998

Age 60 or Older

If you retire when you are age 60 or older, your pension will be the sum of:

- $28 for each year of past service credit, and
- $28 for each 1,000 hours of future service credit accrued to December 31, 1998;
- $45 for each 1,000 hours of future service credit accrued between January 1, 1999 and December 31, 2006; and
- $55 for each 1,000 hours of future service credit accrued between January 1, 2007 and December 31, 2007; and
- $65 for each 1,000 hours of future service credit accrued on and after January 1, 2008.

Younger than Age 60

If you retire before age 60, your normal pension will be reduced by 0.45% for each complete month that you are younger than age 60. However, if you are at least age 50, you have 10 years of Pension Credit before your break in service, and you attained 49 years of age prior to January 1, 2007, then you are eligible for the early retirement reduction rules that were in place at the time of your break in service.

Example:

Larry failed to work 350 contributory hours in the 3 consecutive years 1998 to 2000. Larry incurred a permanent break in service on December 31, 2000. He decides to retire in 2005 at age 56 with 15,501.50 hours of future service credit and 12 years of Pension Credit. Since Larry is retiring 48 months younger than age 60, his early retirement pension is calculated as follows:

For service before December 31, 1991	For service on and after January 1, 1992
6,231 hours ÷ 1,000 × $28 = $174.47	9,270.50 hours ÷ 1,000 × $28 = $259.57
.1667% × 48 months = 8%	.25% × 48 months = 12%
100% - 8% = 92%	100% - 12% = 88%
$174.47 × 92% = $160.51	$259.57 × 88% = $228.42

$160.51 + 228.42 = $388.93

Larry's early deferred retirement pension will be rounded to $389.00 per month.

For Former Participants Whose Last Permanent Break in Service Occurred Before January 1, 1999

Age 60 or Older

If you retire when you are age 60 or older, your pension shall be equal to the sum of:

(i) $28 for each complete month and year of past service credit

(ii) $26 for each 1,000 hours of future service credit

Younger than Age 60

If you retire before age 60, your normal pension will be reduced by .45% for each complete month that you are younger than age 60. However, if you are at least age 50, you have 10 years of Pension Credit before incurring your break in service, and you attained 49 years of age prior to January 1, 2007, then you are eligible for the early retirement reduction rules that were in place at the time of your break in service.

Example:

> Gene failed to work 350 contributory hours in the 3 consecutive years 1993 to 1995. He incurred a permanent break in service on December 31, 1995. He was age 46 and he did not choose the portability option. Gene decides to retire in 2007 at age 58 with 7,793.5 hours of future service credit and less than 10 years of Pension Credit. Gene is 24 months younger than age 60 and since his pension is reduced by 0.45% for each of these 24 months, his benefit is determined as follows:
>
> 7,793.5 ÷ 1000 x $26 = $202.63
> 0.45% x 24 months = 10.8%
> 100% - 10.8% = 89.2%
> $202.63 x 89.2% = $180.75
>
> Gene's early deferred retirement pension will be rounded to $181.00 per month.

Disability Pension

Your disability pension is based on:

(i) the amount of normal pension you would receive if you were age 60 on your date of disability, plus

(ii) the lower of the two following amounts:

(a) the amount of normal pension you could have earned if you continued working up to, and including the year you reach age 60. This amount of normal pension is calculated based on your yearly average hours from the year of your disability up to and including the year you reach age 60.

(b) the amount of normal pension you have earned up to the date of your disability.

Your disability pension will continue as long as you remain totally and permanently disabled.

If you recover before age 60, your disability pension will stop, beginning with the first month after your recovery. If you are still totally and permanently disabled when you reach age 60, payments will continue for your lifetime, even if you recover after age 60.

Termination Benefit

Your termination benefit is a lump sum cash payment of:

(i) all of your self-payments and interest; plus

(ii) if you have at least 1 year of future service credit, a percentage of the employer contributions made on your behalf for all service prior to January 1, 1984, determined in accordance with the following schedule:

Years in Which Some Pension Credit Has Been Earned	Percentage of Employer Contributions
Less than 2 years	0%
2 years but less than 3 years	60%
3 years but less than 4 years	65%
4 years but less than 5 years	70%
5 years but less than 6 years	75%
6 years but less than 7 years	80%
7 years but less than 8 years	85%
8 years but less than 9 years	90%
9 years but less than 10 years	95%
10 years or more	100%

7. WHEN WILL PENSION BENEFITS BEGIN?

The date your pension will begin depends on the type of pension and some other factors as listed below.

A **normal pension** begins the first of the month following or coincident with the month in which you reach age 60, if you are no longer working in covered employment, or the first of the month following the date you last work for a contributing employer, if later. If you continue to work in covered employment past normal retirement age, it will be the first of the month following the month the application is received, or the month you stop working in covered employment, if later. In no event can benefits start later than the last day of the year in which you reach age 71.

An **early retirement pension** begins the first of the month following receipt of your application or the month following the date you last work for a contributing employer, if later. You may also choose to have the payment start at a later date.

A **deferred pension** follows the same rules as the normal and early retirement pensions, depending on whether or not you have reached age 60.

A **disability pension** begins on the fourth month of disability if the application is received no later than 60 days after the third month of disability. If the application is received later than 60 days after the third month of disability, the pension will begin the first of the month after the application is received.

A **spouse's pension** or **pre-retirement survivor pension** begins on the first of the month following the death of the participant or former participant and ends on the date of death of the spouse.

8. HOW IS MY BENEFIT PAID?

Normal Form - *If You Do Not Have A Spouse*

Your normal, deferred, disability or early retirement pension will be paid monthly for your lifetime with 60 payments guaranteed. This means that if you die before receiving 60 payments, your beneficiary or estate will receive the benefit until the balance of the 60 payments has been made.

If you are not retiring on a disability pension, and you do not want to receive your pension in the normal form, you can choose an optional form of payment as described later. If you choose an optional form of payment, your monthly benefit will be adjusted so that the optional form you choose will be equivalent in value to the normal form.

Standard Form - *If You Have A Spouse*

By law, your normal, deferred, disability or early retirement pension must be paid as a 60% joint and survivor benefit. This means you will receive a reduced monthly benefit for your lifetime. When you die, your spouse will receive 60% of that reduced amount for the rest of his/her lifetime. The benefit reduction reflects the fact that retirement benefits will be paid over 2 lifetimes – yours and your spouse's.

If your spouse dies after your pension begins, you will continue to receive your monthly pension for your lifetime.

If your spouse dies before your pension begins, you will receive your pension in the normal form unless you elect an optional form.

Your spouse may waive his/her rights to the joint and survivor benefit by submitting a Spousal Waiver Form to the Trustees. This form must be signed within 90 days prior to your retirement date, by your spouse in the presence of a witness, outside of your presence. This form must be filed with the Fund Office before benefit payments begin.

If your spouse signs the Spousal Waiver Form, you may choose the normal form of pension as described above; or, you may choose an optional form of payment as described below.

Optional Forms

If you are not retiring on a disability pension and your spouse has signed the Spousal Waiver Form, you may choose to receive your pension in one of the optional forms of payment as described below. Your choice must be made at the time you apply for your pension.

Life Annuity - No Guarantee

The life annuity form provides payment in equal monthly payments that begin when you retire and continue for your lifetime only. Therefore, when you die, the payments stop.

If you elect this option, your benefit will be increased. The amount of the increase will depend on your age when payments begin.

10-Year Guarantee

This option provides you with a monthly pension for life, with 120 payments guaranteed. If you die before receiving 120 payments, your beneficiary or estate will continue to receive benefits until the balance of the 120 payments have been made. If you die after receiving 120 payments, benefits do not continue to anyone else.

If you elect this option, your benefit will be reduced to pay for the 10-year guarantee. The amount of the reduction will depend on your age when payments begin.

15-Year Guarantee

This option provides you with a monthly pension for life, with 180 payments guaranteed. If you die after receiving 180 payments, benefits do not continue to anyone else. If you die before receiving 180 payments, your beneficiary or estate will continue to receive benefits until the balance of the 180 payments have been made, subject to the following:

The guarantee is the lesser of:

(i) 180 payments, or

(ii) the period from your retirement date to the day before your 80th birthday.

If you elect this option, your benefit will be reduced to pay for the 15-year guarantee. The amount of the reduction will depend on your age when payments begin.

Joint and Survivor Option

If you elect this option you will receive a reduced monthly benefit for your lifetime. When you die, your spouse will receive 75% or 100% (depending on the option you selected on your application) of that reduced amount for the rest of his/her lifetime. The benefit reduction reflects the fact that retirement benefits will be paid over two lifetimes – yours and your spouse's. The amount of the reduction is based on your age and the age of your spouse when payments begin.

Level Income Option

Choosing the Level Income Option means you'll receive a higher monthly benefit from the Plan from the date you retire until age 65, when your Old Age Security (OAS) and Canada Pension Plan (CPP) pensions are payable from the Federal Government. Once you begin receiving OAS and CPP pension payments, your Plan benefit will be reduced. Your reduced Plan benefit and your OAS and CPP pension benefits will be approximately equal to the pension you were receiving before you became eligible for benefits under the Old Age Security Act and Canada Pension Plan.

The adjustment made to your early retirement pension or deferred pension is based on your age and assumes that you will receive the maximum amount of OAS and CPP pensions.

Upon your death, your beneficiary is entitled to the excess amount, if any, of the 60 monthly payments you would have received had you not elected this option, minus the amount already paid to you.

This option may not be chosen if it would result in a monthly benefit before or after age 65 of less than 1/12 of 4% of the YMPE which is $154.33 per month in 2009.

NOTE:

The benefits payable from this Plan are independent of benefits provided under the Old Age Security Act and Canada Pension Plan. If you elect this option and you do not qualify for or do not apply for the OAS or CPP pension or the OAS or CPP pension is changed, reduced, or cancelled, the Pension Plan and the Trustees are **not** responsible for the payment of the OAS or CPP pension.

More Information on Optional Forms

If you want an optional form of payment, you must indicate this in writing on your application for your retirement benefit. You may change your option prior to the payment of your pension by filing a written request with the Fund Office. Once payment of your pension begins, you may not change your option.

9. HOW IS MY SPOUSE PROTECTED IF I DIE BEFORE I RETIRE?

The Plan provides financial protection for your surviving spouse if your benefits are vested and you die before you retire. Your spouse will receive for his/her lifetime, a monthly spouse's pension or a pre-retirement survivor pension as described below. If your benefits are not vested, your beneficiary may receive a benefit in the event of your death before you retire. Refer to Section 10 for more details on the death benefit.

Spouse's Pension

Upon your death, your spouse is entitled to a spouse's pension if you:

- die while you are a participant;
- are vested; and
- have worked at least 350 hours in covered employment in the 3 years before you die.

Your spouse will receive the better of the Pre-Retirement Survivor Pension described below or a monthly lifetime benefit based on your pension credit at the date you died. Your spouse's lifetime benefit will be calculated as though you were age 50, or your actual age if higher, and had elected the 50% joint and survivor option just prior to your death. Instead of a monthly lifetime benefit, your spouse may elect the portability option.

Pre-Retirement Survivor Pension

Upon your death, your spouse is entitled to a pre-retirement survivor pension if you:

- are vested; and
- are eligible for a deferred pension.

Your spouse will receive a monthly lifetime benefit that has a lump sum value equal to 100% of the commuted value of your accrued pension at your date of death. Instead of a monthly lifetime benefit, your spouse may elect the portability option.

If your spouse is not eligible for a spouse's pension or a pre-retirement survivor pension, you may designate your spouse as a beneficiary to receive any death benefit that is payable after you die.

Spousal Waiver

Your spouse is entitled to waive his/her entitlement to the Spouse's Pension and Pre-Retirement Survivor Pension described above. Where a valid waiver is in place, you may designate any beneficiary to receive the pre-retirement death benefits payable by the Plan. In order to waive his/her entitlement to any pre-retirement death benefits, your spouse must complete and deliver a written waiver to the Board. Once a valid waiver is in place, your spouse retains the right to revoke the waiver by written notice to the Board anytime while you are still alive.

10. CAN I LEAVE MY BENEFIT TO SOMEONE OTHER THAN MY SPOUSE?

If you have a spouse as defined earlier and you die before you retire, your spouse is automatically the beneficiary of your pension benefits from this Plan, even if you name someone else on your beneficiary card or in your will, UNLESS your spouse has waived her entitlement to the pre-retirement death benefits in writing.

Spousal Waiver

Your spouse is entitled to waive his/her entitlement the Plan's pre-retirement death benefits. Where a valid waiver is in place, you may designate any beneficiary to receive the pre-retirement death benefits payable by the Plan. In order to waive his/her entitlement to any pre-retirement death benefits, your spouse must complete and deliver a written waiver to the Board. Once a valid waiver is in place, your spouse retains the right to revoke the waiver by written notice to the Board anytime while you are still alive.

If you do not have a spouse, your beneficiary or estate will receive any death benefit that is payable.

Death Benefit - *Beneficiary*

If you die after you are vested but before you retire and you do not have an eligible spouse to receive the spouse's pension or the pre-retirement survivor pension, your beneficiary or estate will receive a lump-sum cash payment equal to 100% of the commuted value of your normal pension earned to the date of your death.

If you die before becoming a participant or before your benefits are vested, your beneficiary will receive a lump-sum cash payment of your self-payments, if any, with interest.

Post-Retirement Death Benefit

The form of payment you choose at retirement will determine if there will be any post-retirement death benefit payable, after you die. Please refer to Section 8 for more details on the forms of payment.

11. HOW DO I APPLY FOR BENEFITS?

You must apply for a pension, in writing, at least 1 month before you plan to retire. Pension application forms are available from the Fund Office. You may ask them to mail the form to you. You will be asked to provide proof of age for both yourself and your spouse, if needed. You will also be asked to provide proof of marriage, if needed.

When you have completed the application and any additional required information, you should sign the application and return it to the Fund Office along with the required documents. If you do not have a spouse you must include a Statutory Declaration of Single Status with your application. A Spousal Waiver Form must be included with your application if you have a spouse and choose the normal form or an optional form instead of the standard form.

The Fund Office will acknowledge receipt of your application and notify you if they require additional information.

How to Apply for Survivor Benefits

Your spouse or beneficiary should contact the Fund Office in writing and submit a copy of the death certificate as soon as possible after your death. Your spouse or beneficiary will be asked to submit proof of age, if needed, and will be advised if additional information is required. Your spouse or beneficiary should write to the Fund office with any questions concerning eligibility for survivor benefits. The Fund Office will help in every way possible with the application.

12. WHAT HAPPENS IF I RETURN TO WORK AFTER I RETIRE?

If you return to work with a contributing employer after you retire and you are younger than age 71, you must notify the Board of Trustees within 15 days of your re-employment.

Adding your pension contributions to your wages

One new feature of the most recent collective agreement now allows individuals who are 60 years of age or older to add their pension contributions to their wages. Any individual over 60 years of age who is already in receipt of a pension from the Pension Plan is eligible for this feature. Individuals who elect this option will not earn any benefit in the pension plan but will instead have their pension contributions added to their wages, both of which will be paid in addition to their monthly pension.

If you are over 60 years of age, the Board encourages you to review this option, as it may be financially beneficial in most circumstances. As a general rule of thumb, if your accrued pension is more than $325 per month, it may be to your benefit to take advantage of this feature. Because individual financial and tax circumstances before and after retirement vary, it is strongly recommended that you seek financial advice before deciding whether or not to make use of the feature. In evaluating the benefits of this feature, you should consider that having more money in your pocket today does not necessarily mean you will be better off financially down the road, especially if you continue to live for many years after your retirement, or if the short term financial gain you may enjoy is directed towards products or services that will not provide income in the future.

Please contact the Pension Manager to obtain additional information on this new feature of the collective agreement.

Earn additional pension

If you do not have the pension contributions added to your wages, the additional contribution can be used to earn additional pension. Once contributions have been received for 350 hours of re-employment in covered employment, you will have two choices:

(i) you can continue to receive your monthly pension in which case you will not receive future service credit for the additional contributory hours after your re-employment, or

(ii) you can have your pension suspended during your re-employment. Your monthly pension will resume the month following withdrawal from covered employment and your pension will be recalculated. The recalculation will be based on your previous pension, adjusted to reflect the change in the early retirement reduction factor (the early retirement reduction factor will be based on your age when you resume your retirement, less the number of months of payment you received), plus the amount of pension based on the future service credit you earned during the re-employment period which will be reduced if you are under age 60.

If you choose option (i), you may revoke your choice at any time by filing a written application for option (ii) in the designated form with the Fund Office.

Option (ii) will be effective the first of the month following the later of completion of 350 hours in covered employment or receipt of your written application by the Fund Office.

If you choose option (ii), you may not change your option once your pension is suspended.

If you continue to work after the year you reach age 71, you may not earn additional pension benefits and your pension will continue.

Option (i) is the default option as the Plan cannot suspend your pension without your permission. However, any participant over the age of 60 who elects option (i), whether intentionally or by default, would be better off under the "Adding your pension contributions to your wages" option described above. For this reason, participants should not delay in contacting the Pension Manager as soon as they return to covered employment.

13. CAN MY SURVIVING SPOUSE OR I TAKE A REFUND INSTEAD OF A PENSION?

No. Your benefit must be used to provide you with a pension when you retire. However, if you are vested and not yet age 50, and you have a statutory or a permanent break in service, you may choose the portability option. Refer to Section 5 for more details on the portability option.

Your surviving spouse may choose the portability option rather than a monthly annuity, if he or she is eligible for a spouse's or a pre-retirement survivor pension.

14. IS MY PENSION FROM ANOTHER PENSION PLAN RECOGNIZED?

Yes, if you have earned pension credit under a related plan, that is, a plan which has a "reciprocal agreement" with this Plan. Your combined pension credit earned under both plans will be used to determine your eligibility for pension benefits, however, the benefit amount will be based on the individual benefit structure of each plan. Credit earned with a related plan can also serve to prevent a break in service under this Plan.

In order to be protected by the reciprocal agreement you must notify the Fund office when you move to work under the jurisdiction of another Local. You must also notify each Fund you have worked under when you apply for a pension.

15. WHAT HAPPENS IF THE PLAN TERMINATES?

The Board of Trustees intends to continue the Plan indefinitely, but has the right to amend or end it. If the Plan is terminated, it will not affect your right to any benefit, to which you are already entitled, as long as there are funds available to pay these benefits. The benefit payments to you and others who had accrued benefits may be reduced.

Administrative expenses will be paid first from the Plan assets. To the extent they are adequate, the remaining assets will be used to pay pension benefits. If there are any surplus assets after paying all benefits, they shall be distributed proportionately to increase accrued pension.

16. CAN I ASSIGN MY BENEFITS?

No. The Plan prohibits the assignment, sale, transfer, attachment or garnishment of your pension benefit to anyone or anything else. Also, it cannot be used as security for a loan or a mortgage.

17. HOW WILL I KNOW WHAT MY BENEFITS ARE UNDER THE PLAN?

You will receive a statement of the benefits you have earned as well as your status under the Plan each year.

18. WILL THE BENEFITS PROVIDED UNDER THIS PLAN AFFECT THE CANADA PENSION PLAN BENEFITS IN ANY WAY?

No. The benefits provided under this Plan are in addition to any Canada Pension Plan benefits for which you may be eligible.

19. WHAT ELSE DO I NEED TO KNOW ABOUT MY PLAN?

The Plan is financed entirely by contributions made by contributing employers as agreed to in the collective bargaining agreement with the Union or other agreement acceptable to the Trustees. Employer contributions are deposited into a trust fund held by a trust company. The Trustees have hired professional money managers to invest the Plan's assets.

The benefit levels are based upon calculations made by an actuary, which estimate to the extent possible that contributions along with investment income will be sufficient to support the benefits provided by this Plan.

Your Plan is administered by the Board of Trustees of the Asbestos Workers Pension Plan of Alberta which is a Union trusteed board. The Trustees are responsible for the overall operation of the Plan.

20. WHAT IF I GET A DIVORCE, ANNULMENT OR SEPARATION?

If you get a divorce, annulment or separation, the allocation of your pension benefit will be subject to the provincial legislation.

If there is a Matrimonial Property Order or Agreement that gives some of your pension benefits to your ex-spouse, the determination and payment of benefit to your former spouse will be subject to the Alberta *Employment Pension Plans Act*. The benefit under the Plan to which your current spouse or beneficiary is eligible will be adjusted as well.

You and your former spouse will be required to pay a processing fee of $500 in order for the Fund Office to calculate the benefit and prepare the required benefit statements.

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