



## 2026 TWPP - Pension Presentation Summary – Active Members

Thank you to all those that were able to attend the pension presentation on February 12, 2026.

For those that were unable to attend we have prepared the following summary of the presentation to share the information we reviewed.

The following information is based on the Pension Plan terms and conditions effective January 1, 2026.

In attendance were:

- Michael Phillips, President USW1944, Trustee
- Ross Brown, Secretary–Treasurer USW1944, Trustee
- Chris Stephens, Local Union Representative USW1944, Trustee
- Czar Loquia, Trustee
- Jennifer Bucholtz PPAC, CEBS, Plan Administrator

The goal of the presentation is to ensure you understand:

- How the Plan works
- What changes took effect January 1, 2026
- How benefits are calculated
- What your retirement options are
- And who to contact when you need assistance

### Plan Governance & Oversight



#### Who Oversees the Plan?

The Plan is governed by a Board of Trustees representing members and stakeholders. Jointly trusted board: 4 Union Trustees / 4 Employer Trustees.

Trustees are responsible for fiduciary oversight, funding policy decisions, and long-term sustainability. The Plan Administrator manages day-to-day operations, compliance, and member services.

The Plan operates within strict regulatory and funding requirements



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## Health of the Plan

### Plan Stability

The financial health of the Plan is monitored regularly through actuarial valuations, investment performance reviews, and funding policy guidelines. The objective is to maintain long-term sustainability while protecting accrued benefits.

Currently the TWPP remains sound and well positioned to provide the benefits accrued to date and those expected to accrue in the future; also, well positioned to continue providing benefit improvement. The Target Benefit Plan is funded at 137.8%.

The Plan must file an Actuarial Valuation with the regulators every 3 years. The last valuation was filed in June of 2024 for the period ending December 31, 2023, and can be found on our website. The next valuation will be filed in June of 2027.

A healthy Plan supports:

- Stable benefits
- Responsible improvements
- Measured responses to economic conditions

### Investment Strategy and Portfolio Mix

The investment strategy is designed to balance:

- Growth
- Stability
- Risk management
- Long-term funding obligations

The portfolio mix includes diversified asset classes to reduce volatility and manage risk over time. The Plan uses an asset-liability matching strategy.

Investment decisions are aligned with:

- The funding policy framework
- Asset-liability matching strategy
- Long-term pension obligations
- Risk tolerance established by the Trustees

Investment Portfolio Mix:

- Government and corporate bonds
- Mortgages
- Income-producing real estate
- Infrastructure, private credit, hedge funds and a smattering of equities, no crypto.



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## Funding Policy Framework

The Funding Policy Framework guides how the Trustees make decisions about:

- Protect: Protect accrued Basic Benefits
- Maintain: Maintain funding cushion
- Improve: Improve Target Benefits for active members
- Provide: Provide Ad Hoc increases for retirees

It ensures decisions are:

Sustainable	Prudent
Consistent	Transparent

## What is Surplus?

Surplus occurs when Plan assets exceed liabilities based on actuarial assumptions. Surplus can change over time as investment markets fluctuate and assumptions are updated. Surplus belongs to the Plan as a whole; surplus does not belong to any one group.

**It does not mean:**

- Money is “extra” or freely distributable
- Immediate increases are automatic

Surplus must be evaluated carefully against:

- Market risk
- Future obligations
- Regulatory requirements
- Best interest of all members; including active, retirees and beneficiaries

Surplus:

- Supports accrued benefits of all Plan members
- Provides target benefits such as annual earnings update, unreduced retirement at 55 w/25
- Help protect the Plan against future risks and when appropriate supports benefit improvements for all members
- Create contingency reserve for market risks

Surplus can:

- Strengthen Plan stability
- Build flexibility into Plan
- Provide cushions against future events

Surplus must be managed responsibly.



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### Understanding Ad-Hoc Increases

The TWPP Plan design does not provide annual indexation however ad-hoc pension benefit increases are granted when funding permits, limited by the Income Tax Act to the maximum yearly CPI.

They are:

- Not guaranteed
- Dependent on Plan health
- Evaluated under the funding policy

The Trustees assess sustainability before granting improvements.

### 2026 Benefit Improvement for Retirees

The following ad-hoc increases are effective April 1, 2026:

1. 1.85%: applies to pension in payment on or before December 31, 2024. Equivalent to 100% CPI for the year (also applies to Term-Vested)
2. 4.40%: one-time cpi offset increase providing an additional 4.40% for members who retired prior to 2022.

## Pension Benefit Formula

### How is my Pension calculated?

- Your pension is calculated using two formulas: a defined benefit career average formula (promised benefit) and an “earnings update formula” (target benefit that is Plan funding dependent, the Trustees review annually).
- The Defined Benefit formula is a career average benefit, the accrual rate as of January 1, 2026, is 2% of gross pay on a go forward basis. Prior to 2026 the accrual rate was 1.75% of gross earnings (Gross earnings include overtime, differentials etc.)
- The Target Benefit formula is based on your final calendar year earnings. This target benefit is often referred as an “Earnings Update” and is provided with the approval of the Trustees. The Trustees review on an annual basis. \*Prior to January 1, 2026, this formula was based on the average of your last 3 calendar years of earnings\*



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## Career Average Formula vs Earnings Update Formula

The Plan calculates your pension using:

1. Career Average Formula
2. Earnings Update Formula

Whichever produces the higher benefit is applied. The Plan will always use the better result.

## Retirement Age & Payment Options

### Retirement Age

Retirement age provisions are determined under Plan rules. Normal retirement age is 65.

Members may:

- Retire at normal retirement age
- Retire earlier subject to Plan provisions
- Consent provisions are in place to protect the Plan in case of wind-up or adverse financial experience.
- The reduction if consent was not granted is approx 5.5% to 6.5% per year from age 65

Current early retirement provisions under the Plan with Trustee consent are:

- Unreduced pension at age 60 and over with no service requirements
- Unreduced pension at age 55 to 60 with 25 years of employment service
- Reduced pension at age 50 to 55 with 30 years of employment service (reduced from age 55 not 65)

You should request an estimate before making decisions. We encourage all members to use a professional financial advisor.

### Normal Form Payment Option

- Your accrued pension is calculated as the “Normal Form” option and is reported to you on your Annual Statement.
- \*New - The “Normal Form” is a Life Annuity Guaranteed for 15 Years
- The payment will provide a monthly income for your lifetime.
- Should you decease prior to receiving 180 monthly payments (15 years), the monthly payments will continue to your designated beneficiary(ies) until the guaranteed period expires.
- Should you decease after receiving 180 monthly payments, your retirement benefit from the Plan will cease.



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## Other Pension Options

You may elect:

Life Annuity Guaranteed 5 and 10:

- These two options are identical to the “Normal Form” except the guaranteed period payable to the beneficiary is shorter. Should you decease prior to the guaranteed period expiration date the beneficiary will receive the balance of the guaranteed period.
- Guaranteed 5 = 60 payments
- Guaranteed 10 = 120 payments

Joint & Survivor Options 100%,75%,60% or 50%

- You may only designate your spouse as your joint annuitant
- A monthly retirement payment will be paid to the Member during their lifetime.
- Upon the death of the Member a percentage of the monthly payment will be paid to the Spouse for their lifetime.

Each option adjusts the monthly pension amount.

## Level Income Option

The Level Income option integrates CPP.

- Level Income Option (only available to members prior to age 65) - This option has been designed for Participants who wish to retire early and receive a higher amount of their pension from the Plan prior to age 65, at which time the payment amount will be reduced.
- The Level Income Option offered is based on 50% of the maximum amount of CPP (Canadian Pension Plan) a Canadian can receive and not based on how much CPP you will actually receive.
- The difference between the amount paid before and after age 65 is equal the difference of the maximum amount of CPP a Canadian can receive if they apply for CPP at age 65.
- Each member’s actual CPP will vary depending on when CPP benefit is applied for and the actual amount they are entitled to receive from the Plan.
- The level income option may be combined with Life Annuity Guaranteed 5, 10, 15, or Joint & Survivor Options 100%,75%,60% or 50%



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### **CPP Impact**

- As of January 2026, the average CPP recipient receives 53% of the maximum CPP and less than 5% of CPP recipients receive the maximum amount.
- Current maximum possible: \$1,507.65 per month
- Average CPP at age 65: approximately \$803 per month;
- Average CPP at age 60: approximately \$520 (maximum \$964)
- Your actual amount will depend on your contribution history.
- TWPP level income options use 50% of the maximum currently \$753
- You can estimate your CPP by logging into your My Service Canada Account.

### **Changing Beneficiary After Retirement**

- If you elect one of the Life Annuities with a Guaranteed 5,10 or 15 year option you can change your beneficiary at anytime up to the end of the Guaranteed period.
- If you elect a Joint & Survivor Option **by law** you cannot change your beneficiary once your pension commences, this includes if your spouse passes away or if there is a marriage breakdown.

Always consult the Plan office before making assumptions.

### **Termination**

If you terminate (your employment with employer ends) before retirement:

You may be entitled to:

- A deferred pension
- A transfer value, subject to legislation

Your accrued benefit does not go backwards.

#### **Under 55:**

- If your employment is terminated prior to age 55 you will be entitled to a commuted value of your accrued benefit
- A commuted value is an actuarial calculated value of your benefit based on your age and the prescribed interest rate at the date of termination. It assumes the Member retires at age 65 (there are no Early Retirement provisions included). It is a lump sum that can be transferred to a "locked-in" RRSP.
- The choices: You can transfer the commuted value to a:
  - Locked-in RRSP or LIF
  - Purchase an immediate or deferred annuity
  - Leave it in the Plan and defer the benefit until retirement. The rules in effect at retirement will apply.



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Important: The Commuted Value option is only available if you apply within 90 days from your date of termination or 60 days from date of notification whichever date is later. After the expiry of the eligibility period your benefit will be considered a Deferred Benefit, and you can only apply for a monthly pension at retirement

**Age 55 and over:**

- You must leave your benefit in the Plan and apply for a benefit under the Plan rules in effect at the date of your retirement application.

 **Death Benefits**

If a member dies Benefits depend on:

Prior to age 55:

- *No spouse* – Commuted Value, a lumpsum payment based on the value of the member's benefit as if the member had terminated on the date of death. The benefit will be paid as cash less tax to the designated beneficiary
- *Spouse* – Commuted Value, a lumpsum payment based on the value of the member's benefit as if the member had terminated on the date of death. The benefit to be either transferred to a "locked-in" RRSP or paid as an immediate monthly annuity. (Early Retirement provisions do not apply).

After age 55:

- *No spouse* – The Plan assumes you retired on the date of death and elected the Life with 15 Years Option and is paid in the form of a lumpsum.
- *Member has a spouse* – The Plan assumes you retired on the date of death and elected the J&S 100% Option and is paid as a monthly benefit.

After Retirement:

- Per Pension Option election

 **Voluntary Contributions (Effective January 1 2026)**

- Members may allocate \$600 over and above their Pension Adjustment to either RRSP or Voluntary contributions but not both beyond allowable maximum.
- However, if you have RRSP room available under CRA rules you may take this into account when determining your contributions as long as you don't contribute more than the allowable amount assessed by CRA.
- Voluntary contributions are available via payroll deduction only. Application forms available on [www.twPlans.com](http://www.twPlans.com).
- Voluntary Contributions receive interest based on an average of the Plan's annual returns. The interest rate for 2024 was 4.3%. \*Under the current provisions of the Plan you will not be credited with less than a 0% interest rate (no negative rates).
- The average rate since inception is 9.7%.
- 10 year average rate is 7%



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- At retirement a member is entitled to do one of the following with their Voluntary contributions:
  - Take a refund of contributions plus interest (tax will be deducted)
  - Transfer the contributions plus interest to an RRSP of their choice
  - Elect to have an annuity that will increase their monthly retirement benefit

### Taxation

Pension income is taxable.

The Plan:

- Withholds tax
- Remits to Revenue Canada

### Extended Health & Dental

Basic and Enhanced Extended Health and Dental options available through Pacific Blue Cross. Booklets available on [www.twPlans.com](http://www.twPlans.com) for review.

Extended Health – you have the option of electing one of the following two options

- Basic Plan – Only prescriptions under the Pharmacare formulary are eligible; lower cost, fills coverage gaps
- Enhanced Plan – No Pharmacare tie-in, additional vision care and hearing aids coverage. Premium coverage
- Plans reviewed annually by TWU-USW ELHT Trustees

Dental Plan – You have the option of electing the Dental Plan on the basis that you remain a member of the Plan for a minimum of 2 years.

### Summary of Plan Improvements Effective January 1, 2026

- Update formula now based on final calendar year of earnings (previously Average of final 3 calendar years)
- Accrual rate has increased from 1.75% to 2% on a go forward basis
- Plan “Normal Form” has changed to Guaranteed 15 from Guaranteed 5

### Key Takeaways

- Plan is financially strong
- Investment strategy is conservative and stable
- 2026 ad-hoc retiree pension increase approved
- Plan improvements approved for all members
- Ongoing focus on sustainability and fairness

We want members to feel informed and confident in their pension decisions.



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For information or questions about your pension options or an estimate please contact the Plan office for assistance.

#### Who to Contact:

**TWPP Administration Office:**  
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**General Email queries:** [general@twPlans.com](mailto:general@twPlans.com)

#### Member Services Representatives

(Forms, Applications and requests for Estimates)

- Grace Jones "A-H": [grace.jones@twPlans.com](mailto:grace.jones@twPlans.com)
- Elana Felty "I-O": [elana.felty@twPlans.com](mailto:elana.felty@twPlans.com)
- Anne Tamboline "P-Z": [anne.tamboline@twPlans](mailto:anne.tamboline@twPlans.com)

#### Retired Members and Payments

- Christina Littlejohn: [christina.littlejohn@twPlans.com](mailto:christina.littlejohn@twPlans.com)

#### Marriage Breakdown and Credited Service Issues

- Shannon Dawidziak: [shannon.dawidziak@twPlans.com](mailto:shannon.dawidziak@twPlans.com)

#### Plan Administrator

- Jennifer Bucholtz: [Jennifer.Bucholtz@twPlans.com](mailto:Jennifer.Bucholtz@twPlans.com)

JB/mm



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