TEAMSTERS' NATIONAL
Pension Plan • Benefit Plan

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March 2020 - Memo

RE: Annual Member Pension Top-Up - Contributions 2020 – Next Contribution Deadline – January 31, 2021

As an "Active Pension Plan Member" and also a "Member in good standing" of Teamsters Local Union No. 31 you are eligible each year to contribute towards the Member Top-Up providing you have had a minimum of 350 hours reported by your Employer in the previous two years.

At the end of each year, the Plan posts information in regards to the eligibility requirements and parameters for the Member Top-up. You must have the available contribution room with Canada Revenue Agency which you can find on your 2019 Notice of Assessment.

Currently, the Plan's **minimum** allowable Top-Up contribution received from a Member is $122.50. This is based on the minimum contribution rate applicable to the Top-Up contributions which is set at $0.35. (350 hours x $0.35)

The Plan's **maximum** allowable Top-Up contribution, regardless of the hours that a Member may have worked is:

(a) 2,080 hours multiplied by
(b) the lesser of:(i) the Member's current collectively bargained contribution rate; and (ii) $5.00 per hour.

For example: if the Member's current collectively bargained contribution rate is $2.00 per hour, the most a Member can contribute under the Top-Up provision is 2080 X $2.00 = $4,160.00 which equals $53.04 per month in pension benefits.

It is also important to note that due to regulatory requirements, in any given year, the total of Employer and Member Top-Up contributions on a Member's pension record cannot exceed a threshold of $33,806.00 which was in 2018.

If a Member were to make a Top-Up contribution of $2,000.00, his or her **monthly** pension payable at the Plan's normal retirement age would **increase** by $25.50 per month ($2,000 X $15.00 X 85% /$1,000 = $25.50) The Plan's pension formula is $15.00 of monthly pension for every $1,000 contributed less the 15% contingency ($12.75).

Monthly pensions provided by the Plan are payable for the Member's lifetime and that of the Member's surviving Spouse, when applicable.

Due to the Canada Revenue Agency (CRA) regulations, this provision is not available to Retired Members.

The Trustees have been pleased to offer this over the past few years in order to assist Members in increasing their monthly pension at retirement.

More detailed information is available on our annual letter currently posted on our website and on this portal.

Should you have any questions regarding this provision, please don't hesitate to contact our office and we will be pleased to assist you.