Musicians' Pension Fund of Canada
Caisse de Retraite des Musiciens du Canada

Welcome!

The Musician's Pension Fund of Canada (MPF Canada) recently received the first contribution to the MPF Canada Pension Plan made by your employer on your behalf. Below are a few key things to know about the MPF Canada and the Plan.

Who Are We?

- The MPF Canada was established in 1962 as a result of collective bargaining between employers and the American Federation of Musicians/Canadian Federation of Musicians (AFM/CFM).
- MPF Canada provides a Pension Plan for eligible members.
- Only employers contribute to the Plan; employee contributions aren't permitted.
- Employer contributions are held in a Trust to provide benefits to eligible members and their beneficiaries.
- The Plan is a registered under the Ontario Pension Benefits Act and under the Income Tax Act.
- The Fund currently has over $800 million in assets.

What Does the Plan Do for You?

The MPFC Fund's Pension Plan provides eligible members with one of several types of pension benefits:

- Normal Pension
- Early Pension
- Disability Pension
- Pre-retirement Death Benefits.

What Do You Need to Do?

To continue your Plan participation, you must have at least one pensionable engagement within each six month-period for the first 24 months you are a Plan participant. A pensionable engagement is a work-related contract that requires your employer to make a Plan contribution on your behalf.

For More Information…

For more Plan information, answers to frequently asked questions and for examples about how benefits are calculated, please visit the Fund's website: www.mpfcanada.ca. There you can register your email address and access our member self-service portal. The self-service portal allows you to update your personal information and see the pension contributions made by employers on your behalf.

For questions about the Fund, the Plan or your benefit, email us at info@mpfcanada.ca or write us at Musician's Pension Fund of Canada, 200 Yorkland Blvd., Suite 605, Toronto, Ontario M2J 5C1.

things you need to know...

Musicians' Pension Fund of Canada

About Applying for a Pension Benefit

You've decided to start your monthly pension benefit.

Your next step is to contact the Fund office right away. When you do, they'll send you:

1. A pension application
2. Proof of age instructions
3. Declaration of Marital Status Form
4. Electronic Banking form.

Must-Haves When Completing Your Forms and Returning Required Documents

1. Pension application


Musicians' Pension Fund of Canada
Caisse de Retraite des Musiciens du Canada

PENSION APPLICATION

Instructions:

- Please read the application carefully and print your answers. Be sure to answer all questions as this will help to avoid any delay in having your application processed.
- Look through your personal records for the best proof of age according to the proof of age instructions, and include it with your application.
- Date and sign your application.
- Complete the declaration of marital status form.
- Mail your completed application, proof of age documents, declaration of marital status form and any other material needed for your application to the Fund Office at the address below. Original proof of age documents will be returned to you by registered mail.

I. Personal data:

Professional Name: _____

Name on Social Insurance Card: _____

Last First Middle

Address: _____

Number and Street

City Province Postal Code

Telephone Number: _____

Email address: _____

Social Insurance Number _____ Sex: _____ Male _____ Female

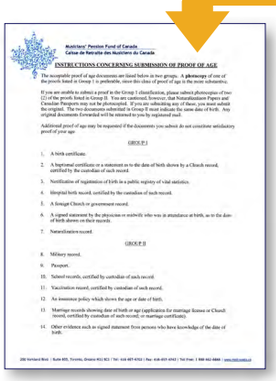
Date of Birth: ____ / ____ / ____ (Attach copy of proof of age document)

Month Day Year

200 Yorkland Blvd. | Suite 605, Toronto, Ontario M2J 5C1 | Tel: 416-497-4702 | Fax: 416-497-4742 | Toll Free: 1 888 462-6666 | www.mpfcanada.ca

- Sign your application.
- Have your signing witnessed, as required. (**NOTE:** Your signing witness **cannot** be your beneficiary.)
- List your alternate beneficiary(ies)—the person or people who will receive your benefit if your spouse dies before you or at the same time you do.

2. Proof of age instructions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INSTRUCTIONS CONCERNING SUBMISSION OF PROOF OF AGE

The acceptable proof of age documents are listed below in two groups. A photocopy of one of the proofs listed in Group 1 is preferable, since this class of proof of age is the more substantive.

If you are unable to submit a proof in the Group 1 classification, please submit photocopies of two (2) of the proofs listed in Group II. You are cautioned, however, that Naturalization Papers and Canadian Passports may not be photocopied. If you are submitting any of these, you must submit the original. The two documents submitted in Group II must indicate the same date of birth. Any original documents forwarded will be returned to you by registered mail.

Additional proof of age may be requested if the documents you submit do not constitute satisfactory proof of your age.

GROUP I

1. A birth certificate.
2. A baptismal certificate or a statement as to the date of birth shown by a Church record, certified by the custodian of such record.
3. Notification of registration of birth in a public registry of vital statistics.
4. Hospital birth record, certified by the custodian of such record.
5. A foreign Church or government record.
6. A signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on their records.
7. Naturalization record.

GROUP II

8. Military record.
9. Passport.
10. School records, certified by custodian of such record.
11. Vaccination record, certified by custodian of such record.
12. An insurance policy which shows the age or date of birth.
13. Marriage records showing date of birth or age (application for marriage license or Church record, certified by custodian of such record; or marriage certificate).
14. Other evidence such as signed statement from persons who have knowledge of the date of birth.

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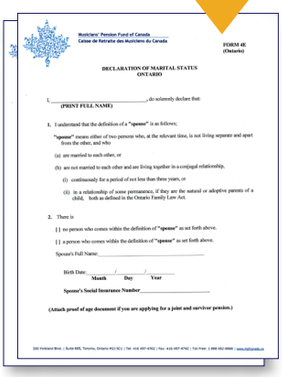
- Send **only copies** (**NOT** originals) of applicable documents.
- If you have a spouse, send **copies** of proof of age for your spouse.

If You have a Spouse When You Apply for a Pension Benefit...
...your spouse is your beneficiary automatically (unless you have both signed a Joint and Survivor waiver).

3. Declaration of Marital Status Form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FORM 4E
(Ontario)

DECLARATION OF MARITAL STATUS
ONTARIO

I, _____, do solemnly declare that:
(PRINT FULL NAME)

1. I understand that the definition of a "**spouse**" is as follows:

"**spouse**" means either of two persons who, at the relevant time, is not living separate and apart from the other, and who

(a) are married to each other, or

(b) are not married to each other and are living together in a conjugal relationship,

(i) continuously for a period of not less than three years, or

(ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Ontario Family Law Act.

2. There is

[ ] no person who comes within the definition of "**spouse**" as set forth above.

[ ] a person who comes within the definition of "**spouse**" as set forth above.

Spouse's Full Name: _____

Birth Date: ____ / ____ / ____
Month Day Year

Spouse's Social Insurance Number _____

(Attach proof of age document if you are applying for a joint and survivor pension.)

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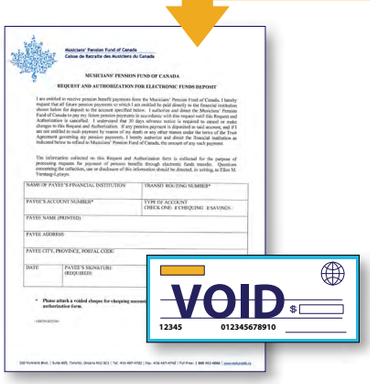
- Sign the Form.
- Have your signing witnessed, as required. (**NOTE:** Your signing witness **cannot** be related to you in any way.)
- Indicate (on page 2) if you have ever been legally separated or divorced
- If you have been legally separated or divorced, send **copies** of applicable documentation.

4. Electronic Banking form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Caisse de Retraite des Musiciens du Canada

MUSICIANS' PENSION FUND OF CANADA

REQUEST AND AUTHORIZATION FOR ELECTRONIC FUNDS DEPOSIT

I am entitled to receive pension benefit payments form the Musicians' Pension Fund of Canada. I hereby request that all future pension payments to which I am entitled be paid directly to the financial institution shown below. I authorize the financial institution shown below to deposit my pension payments into the Fund of Canada to pay my future pension payments in accordance with this request until this Request and Authorization is cancelled. I understand that 30 days advance notice is required to amend or make changes to this Request and Authorization. If any payment to my account is deposited in error, and I I am not entitled to such payment by reason of any provision or any other reason under the terms of the Trust Agreement governing my pension payments, I hereby authorize the financial institution shown on the indicated below to refund to Musicians' Pension Fund of Canada, the amount of any such payment.

The information collected on this Request and Authorization form is collected for the purpose of processing requests for payment of pension benefits through electronic funds transfer. Questions concerning the collection, use or disclosure of this information should be directed, in writing, to Ellen M. Fortunato-Lyons.

NAME OF PAYEE'S FINANCIAL INSTITUTION	TRANSIT ROUTING NUMBER*
PAYEE'S ACCOUNT NUMBER*	TYPE OF ACCOUNT CHECK ONE: ☐ CHEQUING ☐ SAVINGS
PAYEE NAME (PRINTED)	
PAYEE ADDRESS	
PAYEE CITY, PROVINCE, POSTAL CODE	
DATE / PAYEE'S SIGNATURE (REQUIRED)	

* Please attach a voided cheque for cheqeing account authentication form.

VOID $
12345 012345678910

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- Include a **copy** of a voided cheque or a signed letter from your bank that includes your name, address, account number and routing number.

Once You Submit All Completed Forms and Required Documents...

...you'll receive an Option Election form from the Fund office. Use this form to indicate the type of pension benefit you would like to receive, and return it to the Fund right away. **Be sure to sign and date the form!**

Questions About Your Pension Benefit?

Please contact the Fund office: info@mpfcanada.ca, 416.497.4702 or 888.462.6666.

things you need to know...

Musicians' Pension Fund of Canada

Making Contributions that Count!

Contributions the Fund receives on your behalf can make all the difference in the pension benefit you will receive.

Employer Contributions

This is an employer contributing pension plan. Contributions are made by employers only. Participants/Members may not make contributions on their own behalf.

Collective Bargaining Agreements

Contributions to the Plan are made according to the provisions of an AFM/CFM Collective Bargaining Agreement (CBA), a Local of the AFM Agreement, or a Local Tariff of Fees.

Scale/Minimum Wage

Pension Contributions are based on a percentage (%) of scale wage or minimum wage. The pension rate is set out in the agreement/contract and cannot exceed 18%.

Please review your Annual Statements and your MPF Canada online account to ensure that all contributions made on your behalf have been reported, processed and counted!

Negotiating Pension

If a Local's Tariff of Fees does not provide for pension for certain engagements, it is possible for the Participant/Member to negotiate pension on a contract. Please contact the Fund office for further information.

Earned Canada Revenue Agency Reported Wages

Pension Contributions can only be made on Earned Wages and Canada Revenue Agency (CRA) reported income. The Fund has the right to request proof of CRA reported earnings.

Pension Adjustment

Pension contributions made on your behalf are to be reported in the Pension Adjustment Box of your tax return, as they affect your RRSP limits.

No Tax Deduction

MPF Canada Pension Contributions may not be used as tax deductions on reported income. These contributions are paid by your employer and are over and above income received.

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things you need to know...

Musicians' Pension Fund of Canada

Contract Requirements for Leaders!

Participating employer contributions are the lifeblood of pension benefits for our members. However, the Fund can only accept contributions with a valid and complete contract.

Below is a contract checklist for leaders, and a summary of the process that must be followed to receive the contribution credit to which individuals in the leader's group are entitled.

Contract Checklist

Contracts must include the following:

- Employer's name and signature
- Engagement location
- Engagement type
- Engagement date and hours
- Each individual on the contract listed by name with their Social Insurance Number (SIN) or their AFM ID Number, individual scale wage (the amount used to calculate their pension) and the pension amount
- The pension total for all individuals listed on the contract
- The Pension Rate Percentage. This rate must be the same for all individuals on the contract.

Cheques must be submitted with each contract, for the contract balance. If one cheque is submitted for multiple contracts, a breakdown of the amount per contract must also be submitted.

Everyone listed on the contract must receive a pension contribution. If the leader is the employer signatory, he/she may appear on the contract but is not eligible to make pension contributions on his/her own behalf unless he/she has an incorporated or Limited company acting as the employer.

If you have questions about the contract process or a contract, contact the Fund office at info@mpfcanada.ca.

CONTRACT PROCESS

The leader must ensure the following steps are followed for the contract process to result in the proper crediting of pension contributions:

Step 1: The contract must be submitted to the Local in the jurisdiction where the engagement took place.

Step 2a: For AFM/CFM contracts: The Local checks the contract and receives the contribution cheque from the employer to submit with the contract.

Step 2b: If the engagement is performed under a Miscellaneous CBA, the leader can "pay on behalf of the employer" and submit the cheque with the contract to the Local.

In this case:

- "Pay on behalf of the employer" **MUST** be written on the memo line of the cheque
- The leader **MUST** make the cheque payable to **"Musician's Pension Fund of Canada"**
- The leader **MUST** ensure that the cheque has the correct date, amount and an authorized signature on it.

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things you need to know...

Musicians' Pension Fund of Canada

what is "vesting"?

Vesting in the Pension Plan means you have a right to a pension benefit at retirement, even if you never work in the music industry again.

How do I vest?

There are three ways to vest, depending on when you become a Plan Member.

1. **If you become a Plan Member after December 31, 2000.** You vest when you become a Plan Member because the requirements for membership and vesting are the same: 24 months of vesting service. Vesting service means time as a Plan Member during which you do not have a six-month lapse in contributions. Alternatively, you become a Plan Member the first day of the calendar year in which you have either:
   - 700 hours of **covered employment** OR
   - Covered earnings equal to or greater than 35% of the **Year's Maximum Pensionable Earnings (YMPE)**.
2. **If you were already a Plan Member on December 31, 2000 and had contributions made on your behalf after December 31, 2000, but before your membership terminated.**
3. If you became a Plan Member **before** January 1, 2001 and do not have any contributions made on your behalf after December 31, 2000, then you become vested on the earlier date when:
   - You earn 24 months of vesting service OR
   - You reach age 65 while you are a Plan Member.

DEFINITIONS

Covered Employment is when you work for an employer who is required to contribute to the Plan based on a Contribution Agreement between the AFM/CFM and your employer or under a local engagement contract.

Year's Maximum Pensionable Earnings (YMPE) is the maximum level of annual earnings on which all employees contribute to the Canada/Quebec Pension Plan (C/QPP). It is used to calculate the maximum C/QPP pension.

What happens to the contributions made on my behalf if I never vest? If you never vest:

- No benefits are payable from the Pension Fund. Any contributions made on your behalf will be cancelled.
- Cancelled contributions will not be returned to the employer or to members.
- Cancelled contributions stay in the Fund to benefit all members.
- Even if you vest later, cancelled contributions will not be returned to your account or included in your benefit calculation.

- You can find additional information on vesting and cancelled contributions in the Summary Plan Description.

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things you need to know...

Musicians' Pension Fund of Canada

What the Fund's Trustees Do

Who are the "Board of Trustees" and What Do They Do?

A Board of Trustees is an appointed or elected group of individuals that supervises the affairs of a public or private organization. The Musicians' Pension Fund of Canada's Board of Trustees is made up of an equal number of employee and employer representatives, who are appointed to the Board. They are responsible for the overall operation of our Pension Plan—to ensure that the Fund operates in the best interests of current and future Plan Members.

The Fund's Trustees are not paid for their Board work. Trustees make a wide range of decisions about Plan operations within the legal and legislative framework.

When considering any changes to the Plan or the way the Fund operates, the Trustees gather information, listen to the recommendations provided by the Fund's professional consultants (e.g., actuaries, investment advisors, lawyers) and discuss the issue and related solutions.

The Trustees' responsibilities include all aspects of running the Fund. This means they can make or may be required to make decisions on a wide range of issues including changing Plan provisions and benefits.

MISSION STATEMENT

To administer the Plan in a prudent manner to ensure its long-term viability in order to provide the best possible retirement benefits to the Fund's Members and beneficiaries.

When Can Benefits Be Improved?

If the Trustees receive a funding report from the Plan actuary that shows the Plan has a surplus, they must determine what, if anything they want to do with that surplus.

First and foremost, the Trustees want to be as sure as they can be that the Plan can meet its current obligations. That means that it is far from automatic that funding surpluses, as and when they arise, will be allocated to benefit improvements.

In practice, the Trustees will want a cushion, and it is only when the assets are enough to meet current liabilities and that cushion, that any excess could be considered for benefit improvements.

Even then, it is not automatic. The Trustees may decide to use such excess surplus to support a lower risk investment policy. They will make that decision in conjunction with the Plan's actuary and in a way that best balances risk and return for you, the Plan members.

For the avoidance of doubt, the Trustees are not considering benefit improvements at this point.

When Can Benefits be Reduced?

If the Trustees receive a funding report from the Plan actuary that shows the Plan cannot afford its current level of benefits, they are required under Ontario law to take action to fix that situation. Such action could include reducing benefits already earned, already in pay, or to be earned in the future.

If that need arises, the Trustees will try and be as fair as possible in where such benefit reductions are applied. For the avoidance of doubt, the Trustees are not considering benefit cuts at this point. If the Trustees change provisions of the Plan, the Fund Office will notify you in writing about the changes.

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what happens if...

Musicians' Pension Fund of Canada

I Continue to Work (or Return to Work) While I'm Receiving My Pension Benefit?

Many of our members continue working past retirement age but start taking their pension benefit once they're eligible to do so. Some retire, start taking their pension benefit, but then return to work under covered employment. If either of these situations apply to you, what happens to your pension benefit?

If you start your monthly pension benefit and continue working (or you stop working but later return to work), your pension benefit continues, **and you may be eligible to receive an additional pension benefit.** The additional benefit will be based on the employer contributions made to your post-retirement contribution account. (You must have at least $200 in post-retirement contributions for the calendar year to be eligible for an additional benefit.)

What's a Post-Retirement Contribution Account?

The post-retirement contribution account is separate from the account where your pension benefit accumulates. The employer contributions made on your behalf to your post-retirement contribution account for each calendar year are converted to an additional monthly pension benefit for you. The additional post-retirement benefit is not calculated in the same manner as your pre-retirement benefit. It is based on an annuity rate which takes into account your age and the interest rate applicable, when your postretirement benefit is determined.

When Does My Additional Monthly Benefit Start?

The Fund will first review and calculate your additional benefit in the Spring of the year following the calendar year being reviewed. This timeline is set in order to ensure that all contributions for engagements taking place in the previous calendar year have been received and processed in the Fund office.

Your additional monthly benefit will be added to your regular monthly pension benefit payment (usually on the May 1 payment) and will be paid retroactive to January 1 of the current year.

Questions About Your Pension Benefit?

Please contact the Fund office:

- info@mpfcanada.ca
- 416.497.4702 or 888.462.6666.

Musicians' Pension Fund of Canada, 200 Yorkland Blvd., Suite 605, Toronto, Ontario M2J 5C1 info@mpfcanada.ca mpfcanada.ca

what happens if...

Musicians' Pension Fund of Canada

I Become Disabled?

If you become Totally and Permanently Disabled, you may be entitled to a benefit from the Pension Fund.

When Are You Eligible for a Disability Pension

You are eligible for a Disability pension if you:

- Become totally and permanently disabled while you are an Active Member of the Plan, **AND**
- Are not eligible to retire with a Normal pension, **AND**
- Are vested at the time of your disability, **AND**
- Are not eligible to receive disability benefits from your employer or under an insurance program provided by your employer, **AND**
- Submit an application for a Disability pension, **AND**
- The application is approved by the Disability Committee of the Board of Trustees.

Submitting a Disability Claim

1. Request a Disability application from the Fund Office.
2. Complete the application, have your physician complete the physician portion and submit the entire application to the Fund Office with any additional proof of disability.
3. When the completed forms are received by the Fund Office, all names and identifying information will be removed from the forms before they are reviewed by the Disability Committee. The Committee is comprised of the Fund Executive Director, one employer trustee and one employee trustee.
4. The Disability Committee may request that you see a second doctor of the Fund's choosing and at the Fund's expense, for a second opinion.
5. If your disability benefit is approved, the Fund will send you a letter outlining the benefit payment options available to you, based on your marital status.
6. Once you choose a payment form, you will begin receiving the monthly benefit you would have received as if you were age 65.
7. Your benefit will be paid for the longer of the time you remain Totally and Permanently Disabled or for the rest of your life.

For More Information

For more information about disability benefits, review the disability section of the Summary Plan Description (SPD) or contact the Fund Office at info@mpfcanada.ca.

Definition of Total and Permanent Disability

Total and Permanent Disability is defined under the Pension Plan as follows:

You are totally unable to perform the duties of **any** occupation for wages or profit and your disability is expected to be permanent and continuous for the rest of your life.

Shortened Life Expectancy

If, at the time of your initial claim, doctors certify that you have less than two years to live, you can apply to receive a lump sum benefit of the commuted value of your accrued monthly benefit instead of a monthly benefit for life.

Commuted Value

The commuted value of your pension is the current lump-sum dollar value of your pension benefit. In other words, it is the amount that you would have to invest—starting from your date of disability and based on assumed interest rates—to produce a lifetime pension equal in value to your existing pension in the Plan.

The commuted value is based on the amount of your pension, plus factors such as your age and your life expectancy. The calculation also reflects interest rates in effect at the time your commuted value lump sum is effective.

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what happens if...

Musicians' Pension Fund of Canada

I get divorced?

The end of a marriage brings a great deal of change. Below is important information about how it may affect your Pension Plan benefit.

Your pension benefit may be part of the settlement with your ex-spouse, so here are a few things you should know.

- **If you are not vested in a pension benefit,** you are not entitled to a benefit and neither is your ex-spouse.
- **Your pension benefit may or may not be a part of your separation agreement/divorce settlement.** The value of the potential pension benefit settlement may be offset by the value of another asset.
- **If your pension benefit is to be part of your settlement, contact the Fund Office and ask for a commuted value calculation of your benefit.** This will give you the appropriate amount to be included in your settlement. When you call, you will need to provide the date of your marriage, your separation date, and the birth dates, names, and addresses of the two parties. The Fund Office may charge a fee of up to $1,000 for this calculation, depending on the amount allowed by the province in which you live. The fee charged does not cover the full cost of the calculation.
- **Once you have a separation agreement or divorce decree**, send a copy to the Fund Office, even if your pension benefit is not part of the settlement. This way, you won't have to provide this information at the time of your retirement.
- **Each province has its own rules about the definition of a spouse** and the amount that an ex-spouse may be entitled to in a divorce.

WHAT YOU NEED TO DO:

If you are getting a divorce, you should:

1. Seek qualified legal counsel.
2. Provide the Fund Office with the dates of your marriage and separation, and the birthdates, names and addressesof both parties.
3. The Fund Office will tell you the amount of the fee, if any, for the divorce-settlement-related valuation of your Pension Plan benefit.
4. Pay the fee, if applicable.
5. The Fund Office will provide you with the value of your benefit on the date of separation.
6. You should provide the Fund Office with a copy of your separation agreement or divorce decree.

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what happens if...

I leave the music business (and if I return)

Musicians' Pension Fund of Canada

What happens to your pension benefit if you leave the music business—that is, if you stop working for employers that contribute to the Musicians' Pension Fund of Canada? That depends on whether you are vested in your benefit at the time you leave and whether you are eligible to start receiving a pension benefit at the time you leave the industry. And, what happens if you later return to the music business? This roadmap shows the way to the answers.

If You Leave the Music Business

Have 24-month break in service BUT VESTED in your pension benefit

- **Not currently eligible for retirement benefits to start**
  - If you are under age 55, you may be eligible to transfer a benefit lump sum to a:
    - locked-in Registered Retirement Savings Plan or
    - registered pension plan of a new employer, if that plan permits it
  - Must wait until at least age 55 to begin receiving retirement benefit. Once eligible to receive benefit, contact the Fund Office for Retirement Application Forms at least 3 months before retirement date
- **Currently eligible for retirement benefits to start**
  - Contact Fund Office for Retirement Application Forms at least 3 months before retirement date

Have 6-month break in service AND NOT VESTED in your pension benefit

- **No benefit; contributions cancelled.**

If You Return to the Music Business

VESTED in your pension benefit

- **Not receiving pension benefit**
  - Contributions added to your previous contributions; you continue to accrue a retirement benefit
- **Receiving pension benefit**
  - Under age 71: Continue receiving monthly benefit; if minimum annual contributions are received, post retirement contributions may result in an additional amount added to your monthly benefit
  - Age 71 or older: Continue receiving monthly benefit; no further benefit accrues

NOT VESTED in your pension benefit

- **Start as a new plan participant**

WHEN YOU CAN RECEIVE A RETIREMENT BENEFIT:

- **Unreduced Benefit:** Starting at age 65 and vested
- **Reduced Benefit:** Starting at age 55 and vested
- Contact the Fund Office for details about your options.

Please let the Fund know of changes to your marital status, mailing address and/or email address.

To view the summary of how you vest in your Plan benefit, link to Things You Need to Know – Vesting.

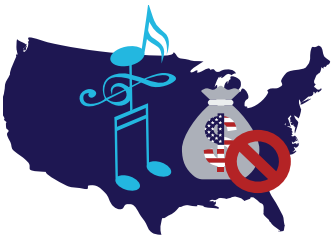
Musicians' Pension Fund of Canada
200 Yorkland Blvd., Suite 605,
Toronto, Ontario M2J 5C1
info@mpfcanada.ca mpfcanada.ca

what happens if...

Musicians' Pension Fund of Canada

I Work in the U.S.?

There are situations where members who typically work in Canada may be working in the U.S.



If you're a **member who works in the U.S. for a U.S. employer**, you may, subject to the terms of any applicable collective bargaining agreement, have contributions remitted to the Canadian Fund.

If you're a **member who works in the U.S. for—and is being paid by—a Canadian employer**, your earnings from that work may be used to make pension contributions to the Musicians' Pension Fund of Canada, subject to the terms of any applicable collective bargaining agreement.

If you're a **member who is touring the U.S. and is being paid by a Canadian employer**, your earnings from that work may be used to make pension contributions to the Musicians' Pension Fund of Canada, subject to the terms of any applicable collective bargaining agreement.

If you're a **member who earns a pension benefit under the Musicians' Pension Fund of Canada and the American Federation of Musicians and Employer's Pension Fund**, you cannot transfer your benefit from one Fund to another; you must take your benefit separately from each Fund. However, the Musicians' Pension Fund of Canada and the American Federation of Musicians and Employers' Fund have a reciprocal agreement: service in one Fund may count toward vesting and eligibility requirements in the other Fund.

Musicians' Pension Fund of Canada, 200 Yorkland Blvd., Suite 605, Toronto, Ontario M2J 5C1 info@mpfcanada.ca mpfcanada.ca

Glossary

Actuarial reduction/ adjustment

Actuarial reduction on early retirement means a reduction in your pension to reflect the fact that you are taking your pension early — it accounts for the cost of your pension being paid over a longer time period. The rates used to determine the amount of reduction, which are based on methods prescribed by pension legislation, change periodically.

An actuarial adjustment also occurs when a Member elects an optional form of payment. When it comes to actuarial adjustments for optional forms of payment, it's a little like buying insurance — you pay a price up front in exchange for the chance of providing a better benefit in the event of your death. That price depends on a number of factors including the option you choose, your age, your spouse's age (if applicable), current interest rates, life expectancy, etc. There can also be an increase in the amount of your pension.

This would occur where, for example, you choose a lifetime pension guaranteed for five years. There would be an increase in your Part 1 pension (since it is normally guaranteed for 10 years) and a decrease in your Part 2 and Part 3 pension (since it is normally guaranteed for life only).

The actuarial adjustment in your own pension will depend on your specific circumstances, such as your age and your spouse's age when you retire, your gender, life expectancy, the option you choose, etc.

For examples of actuarial adjustment, please see the examples in *Early pension* on page 8 and *Forms of pension payment* starting on page 16 of the Plan Summary.

Commuted value

The commuted value of your pension is the current lump-sum dollar value of your pension benefit. In other words, it is the amount that you would have to invest — starting from your date of termination and based on assumed interest rates — to produce a lifetime pension equal in value to your existing pension in the Plan.

The commuted value is based on the amount of your pension, plus factors such as your age, and your life expectancy. The calculation also reflects interest rates in effect at the time you transfer the commuted value out of the Plan.

Covered employment

This refers to employment in respect that your employer is required to contribute to the Plan. This could be based on a Contribution Agreement between the AFM/CFM and your employer, or a local engagement contract.

Deferred pension

This is the pension you become entitled to if you terminate your membership before becoming eligible for any other type of pension, and you are vested at the time you terminate. Please review *Termination* on page 14 of the Plan Summary for more information.

In some provinces, your funds would go to a Locked-in Retirement Account, or LIRA, which is the same thing as a locked-in RRSP.

Locking in

The term *locking in* or *locked in* is a legal requirement that refers to the fact that your benefit in the Plan cannot be taken in cash — it must be taken in the form of a lifetime income. This is true even if you terminate membership and decide to take the commuted value of your benefit out of the Plan.

If you have terminated membership and decided to take the commuted value and transfer it to an RRSP, that RRSP will also be locked in. (In some provinces, your funds would go to a Locked-in Retirement Account, or LIRA, which is the same thing as a locked-in RRSP.)

Once your money is in a locked-in RRSP or LIRA, there are exceptions to the locking-in rules, which include unlocking for hardship and for non-residence. Lastly, once you are eligible to start your income from your locked-in RRSP (generally on or after age 55), in some provinces, you will be able to unlock 50% or 100% of your funds and do with them as you see fit. (Currently, Saskatchewan permits 100% unlocking and Ontario, Manitoba and Alberta permit 50% unlocking.)

Member/Active Member

You are a Member of the Plan (also referred to as *Active Member*) if you have met the requirements for membership and you have not terminated your membership (as described below in the definition of Vesting Service). The requirements to become a Member of the Plan are described in the section entitled *Participation* on page 3.

Spouse

There is a different definition of Spouse in every province.

Generally, if you are legally married and not living separate and apart, your Spouse is the person to whom you are legally married. Some provinces still consider this person your spouse for the first two or three years after you have separated.

If you do not have a person to whom you are legally married, then your Spouse is the person who has been living with you in a conjugal relationship for a certain period (one, two or three years, depending on the province). In some provinces, if you have a child, the *living together* period is waived.

If you have any questions about how this definition applies to you, please contact the Fund Office.

Vesting service

You receive one month of vesting service for every month you are a Member of the Plan.

To find out if you are vested, please read the section titled *Vesting* on page 4.

To determine when Plan membership terminates, please refer to *When does termination of membership in the Plan occur?* on page 3.

Year's Maximum Pensionable Earnings (YMPE)

This is the maximum level of annual earnings on which all employees contribute to the Canada/Quebec Pension Plan (C/QPP). In 2019, the amount is $57,400. The YMPE is also used to calculate the maximum C/QPP pension.