

## AT-A-GLANCE

# DEFINED BENEFIT PENSION PLAN

FOR UNIONIZED UNIFOR MEMBERS HIRED BEFORE JANUARY 1<sup>ST</sup>, 2014,  
MWED MEMBERS HIRED BEFORE JANUARY 1<sup>ST</sup>, 2015 AND TCRC MEMBERS

### OVERVIEW OF PLAN PROVISIONS

<b>FEATURES</b>	<ul style="list-style-type: none"> <li>✦ Provides you with a lifetime pension at retirement based on a fixed formula that takes into account your pensionable earnings and years of pensionable service.</li> <li>✦ You know in advance how much you will receive at retirement.</li> </ul>
<b>MEMBERSHIP</b>	<ul style="list-style-type: none"> <li>✦ Unifor members hired before January 1<sup>st</sup>, 2014, MWED members hired before January 1<sup>st</sup>, 2015 and TCRC members joined the plan immediately upon hire.</li> </ul>
<b>YOUR CONTRIBUTIONS</b>	<ul style="list-style-type: none"> <li>✦ Your required contributions are deducted from your pay and are equal to 8.2% of your earnings up to the Year's Maximum Pensionable Earnings (YMPE<sup>1</sup>) plus 9% of your earnings in excess of the YMPE.</li> </ul>
<b>VIA RAIL'S CONTRIBUTIONS</b>	<ul style="list-style-type: none"> <li>✦ VIA Rail's contributions vary according to the financial situation of the plan, as determined by the plan's actuary and in accordance with regulatory requirements for pension plan funding.</li> <li>✦ All contributions are directed to a pension fund (separate from the Corporation's assets) and used to pay out member benefits.</li> </ul>
<b>RETIREMENT DATE</b>	<ul style="list-style-type: none"> <li>✦ <b>Normal retirement:</b> Last day of the month in which you reach age 65.</li> <li>✦ <b>Early retirement:</b> The last day of any month following your 55<sup>th</sup> birthday, but no later than at age 65.</li> <li>✦ <b>Postponed retirement:</b> The last day of any month after your normal retirement date, but shall not be later than November 30<sup>th</sup> of the year in which you reach age 71.</li> </ul>
<b>PENSION FORMULA</b>	<ul style="list-style-type: none"> <li>✦ You receive a monthly pension calculated using the pre-determined formula.</li> <li>✦ Final average earnings: The monthly average of your earnings either over the last 60 months of service or over the five highest-paid consecutive calendar years, whichever is greater.</li> <li>✦ Formula: 1.7% of your average earnings up to the average YMPE, multiplied by your years of allowable service <i>plus</i> 2% of your average earnings that exceed the average YMPE, multiplied by your years of allowable service.</li> <li>✦ Maximum pension: \$1,715 times your number of years of allowable service.</li> </ul>

<sup>1</sup> Maximum earnings on which Canada/Québec Pension Plan (CPP/QPP) contributions are deducted. In 2018, the YMPE is \$55,900. The YMPE is indexed each year.

<b>FORM OF PENSION</b>	<ul style="list-style-type: none"> <li>✧ The period during which payments are guaranteed in the event of your death varies depending on your marital status at retirement. <ul style="list-style-type: none"> <li><b>With spouse:</b> <ul style="list-style-type: none"> <li>○ Normal form of pension is a lifetime pension with a 5-year guarantee (60 monthly payments) and a joint &amp; survivor benefit at 65%. If you die before receiving 60 monthly payments, your spouse will receive a pension equal to 100% of your pension for the remainder of the 60 months and, thereafter, 65% of your pension for life. If both you and your spouse die before 60 monthly payments have been received, your beneficiary or, if none, the last survivor's estate will receive the value of the remainder of the 60 monthly payments.</li> <li>○ Optional form of pension: same as the normal form except 75% instead of 65%.</li> </ul> </li> <li><b>Without a spouse:</b> <ul style="list-style-type: none"> <li>○ Normal form of pension is a lifetime pension with a 10-year guarantee (120 monthly payments). If you die before receiving 120 monthly payments, your beneficiary or estate will receive 100% of the value of the remainder of the 120 monthly payments.</li> </ul> </li> </ul> </li> <li>✧ Integrated pension: You can elect to receive a higher initial pension that, at age 65, will be reduced by the amount of the Old Age Security pension payable at the time of your retirement.</li> </ul>
<b>INDEXATION</b>	<ul style="list-style-type: none"> <li>✧ On every April 1<sup>st</sup> following the third anniversary of your retirement, your pension will be increased at a rate of 50% of the percentage increase of the inflation, up to a maximum of 3%.</li> </ul>
<b>TERMINATION</b>	<ul style="list-style-type: none"> <li>✧ You can transfer the value of your accrued pension benefit to a locked-in retirement vehicle or deferred pension at age 65.</li> </ul>
<b>DEATH</b>	<ul style="list-style-type: none"> <li>✧ <b>Death before retirement:</b> Your spouse, or your beneficiary if you do not have a spouse, will be entitled to the value of your accrued pension benefit.</li> <li>✧ <b>Death during retirement:</b> The benefits will be paid according to the form of pension payment you chose at retirement.</li> </ul>
<b>PENSION ADMINISTRATOR</b>	<ul style="list-style-type: none"> <li>✧ AON Hewitt - Tel.: <a href="tel:18448362300">1 844 836-2300</a> - Call Centre open from 8 am to 6 pm Eastern time on business days.</li> </ul>

This document provides an overview of the main provisions of the VIA Rail Defined Benefit Pension Plan for Unionized Employees. It does not create or confer any contractual or other rights. This Plan is governed by the official Plan text and applicable legislation. Every effort has been made to ensure that the information in this document is accurate. In the event of any inconsistency, the official documents will prevail.

