

Understanding your annual pension statement

1 Personal data

Date of birth: Sets your normal retirement date

Date of hire: Applies to the calculation of your early retirement pension reduction

Date of entry: Used to calculate your credited service in the pension formula

Spouse/partner and beneficiaries:

Your spouse/partner has priority for benefits in the event of your death. If you do not have a spouse, death benefits are paid to your named beneficiary(ies). If you do not have a spouse or beneficiary, benefits are paid to your estate.

Retirement dates: Your normal retirement date is when you reach age 60/65. This is also when you are generally eligible for an unreduced pension. You may retire as early as age 50/55, but you will receive a reduced pension.

2 Credited service

The number of years and months you have contributed to the Plan. Credited service is used to calculate your pension.

3 Contributions with interest

You contribute a percentage of your earnings towards your pension. If you leave before your pension is vested, you will only receive a refund of your own contributions with interest.

4 Vesting

When your pension is vested, it means you are entitled to the employer portion of the pension you have earned to date.

5 Retirement benefits

Pension calculations are based on your credited service and your annualized earnings.

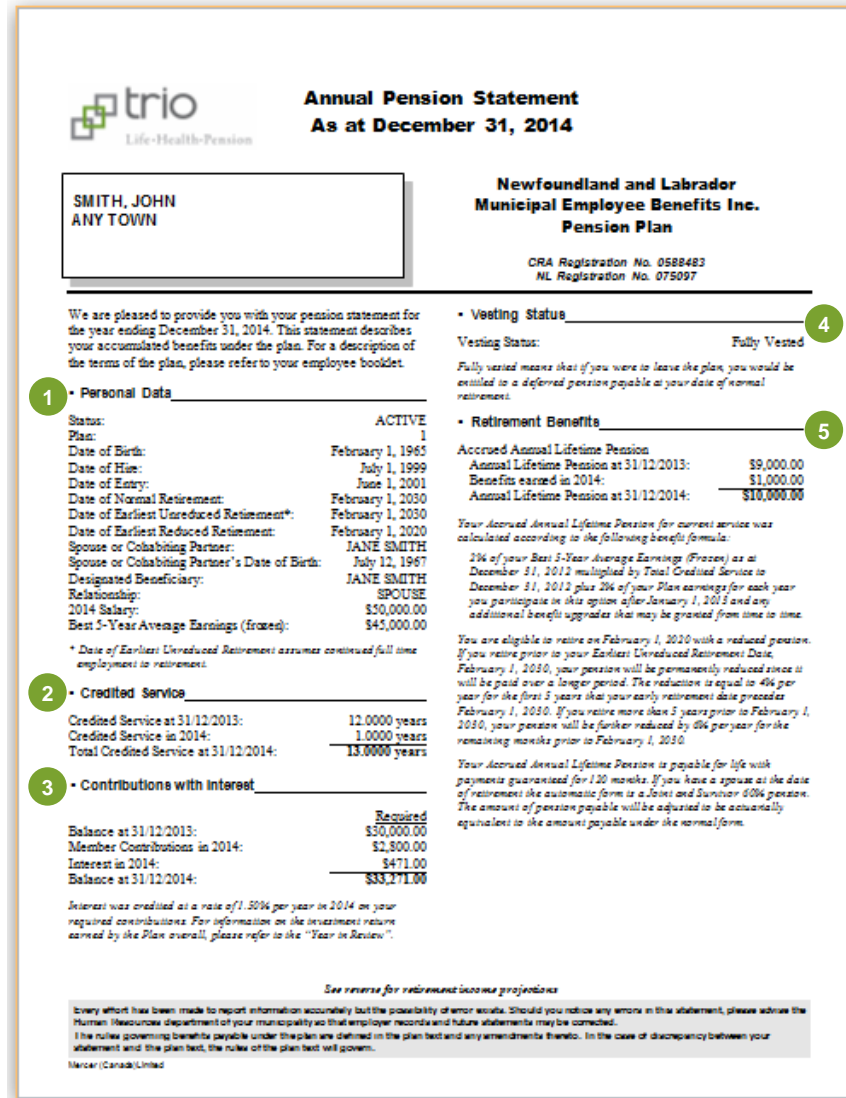
Accrued annual lifetime pension:

The amount of pension you would receive annually at age 60/65 based on your credited service accumulated to date.

Pension payments:

Your pension is payable for life. If you die prior to receiving 120 payments (10 years), the remainder of the 120 payments would be paid to your designated beneficiary.

If you have a spouse at retirement, you will receive a joint and survivor pension, which means your pension will be reduced to take into account the 60% pension benefit your spouse will receive after your death for the remainder of their lifetime.



Annual Pension Statement
As at December 31, 2014

SMITH, JOHN
ANY TOWN

Newfoundland and Labrador
Municipal Employee Benefits Inc.
Pension Plan

CRA Registration No. 0588483
NL Registration No. 075097

We are pleased to provide you with your pension statement for the year ending December 31, 2014. This statement describes your accumulated benefits under the plan. For a description of the terms of the plan, please refer to your employee booklet.

1 Personal Data

Status:	ACTIVE
Plan:	1
Date of Birth:	February 1, 1965
Date of Hire:	July 1, 1999
Date of Entry:	June 1, 2001
Date of Normal Retirement:	February 1, 2030
Date of Earliest Unreduced Retirement*:	February 1, 2030
Date of Earliest Reduced Retirement:	February 1, 2020
Spouse or Cohabiting Partner:	JANE SMITH
Spouse or Cohabiting Partner's Date of Birth:	July 12, 1967
Designated Beneficiary:	JANE SMITH
Relationship:	SPOUSE
2014 Salary:	\$50,000.00
Best 5-Year Average Earnings (frozen):	\$45,000.00

* Date of Earliest Unreduced Retirement assumes continued full time employment to retirement.

2 Credited Service

Credited Service at 31/12/2013:	12,0000 years
Credited Service in 2014:	1,0000 years
Total Credited Service at 31/12/2014:	13,0000 years

3 Contributions with Interest

Balance at 31/12/2013:	Required	\$50,000.00
Member Contributions in 2014:	\$2,500.00	
Interest in 2014:	\$471.00	
Balance at 31/12/2014:		\$53,271.00

Interest was credited at a rate of 1.50% per year in 2014 on your required contributions. For information on the investment returns earned by the Plan overall, please refer to the "Year in Review".

4 Vesting Status

Vesting Status: Fully Vested

Fully vested means that if you were to leave the plan, you would be entitled to a deferred pension payable at your date of normal retirement.

5 Retirement Benefits

Accrued Annual Lifetime Pension

Annual Lifetime Pension at 31/12/2013:	\$9,000.00
Benefits earned in 2014:	\$1,000.00
Annual Lifetime Pension at 31/12/2014:	\$10,000.00

Your accrued Annual Lifetime Pension for current service was calculated according to the following benefit formula:

2% of your Best 5-Year Average Earnings (Frozen) as at December 31, 2013 multiplied by Total Credited Service as December 31, 2014 plus 20% of your Plan earnings for each year you participate in this option after January 1, 2013 and any additional benefit upgrades that may be granted from time to time.

You are eligible to retire on February 1, 2030 with a reduced pension. If you retire prior to your Earliest Unreduced Retirement Date, February 1, 2030, your pension will be permanently reduced since it will be paid over a longer period. The reduction is equal to 4% per year for the first 5 years that your early retirement date precedes February 1, 2030. If you retire more than 5 years prior to February 1, 2030, your pension will be further reduced by 2% per year for the remaining months prior to February 1, 2030.

Your accrued Annual Lifetime Pension is payable for life with payments guaranteed for 120 months. If you have a spouse at the date of retirement the automatic form is a Joint and Survivor 60% pension. The amount of pension payable will be adjusted to be actuarially equivalent to the amount payable under the normal form.

See reverse for retirement income projections

Every effort has been made to report information accurately but the possibility of error exists. Should you notice any errors in this statement, please advise the Human Resources department of your municipality so that employer records and future statements may be corrected.

The rules governing benefits payable under this plan are defined in the plan text and any amendments thereto. In the case of discrepancy between your statement and the plan text, the rules of the plan text will govern.

Mercer (Canada) Limited

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Projection of annual retirement income

Your accrued annual lifetime pension (the amount of pension you have earned to date) is added to the estimated amount of annual pension you would receive if you remained employed until your normal retirement date (age 60/65).

This estimate uses your current annual earnings (assuming no annual increases) and your current employment status (full- or part-time). These factors may change over your career, which will affect your actual pension income.

7

Government sponsored benefits

Government benefits supplement your pension from the TRIO Plan.

8

Pre-retirement death benefits

Pre-retirement death benefits are paid to your spouse or beneficiary. The type of benefit payable depends on whether or not you reached your vesting date before your death.

Post-retirement death benefits are based on the form of pension you chose when you retired (e.g. joint and survivor pension).



Newfoundland and Labrador Municipal Employee Benefits Inc. Pension Plan

6 • Projection of Annual Retirement Income from the Trio Pension Plan

The following table illustrates your estimated retirement income from the Trio pension plan at your normal retirement date. Benefit levels shown are based on your current earnings, which are assumed to remain constant until retirement. The estimates also assume that you continue to work on a full-time basis until the given retirement date if you worked on a full-time basis in 2014. If you worked on a part-time basis in 2014 the estimates assume that you continue to work the same part-time percentage until the given retirement date.

Projected Annual Income at Your Normal Retirement Date (February 1, 2030)	
Source of Retirement Income	Age 65
Trio pension earned to December 31, 2014 (13,0000 years of service):	\$10,000.00
Additional pension for service from January 1, 2015 to your Normal Retirement Date (15,0848 years of service):	\$15,084.90
Total Estimated Annual Pension Payable at your Normal Retirement Date:	\$25,084.90

7 • Government Sponsored Benefits

In addition to the plan benefits, you may be eligible for certain government benefits from Old Age Security (OAS) and the Canada Pension Plan (CPP). Maximum annual OAS benefit payable as January 1, 2015 are \$6,704.88 and maximum annual CPP benefit payable as January 1, 2015 are \$12,740.00. Your actual entitlement under these programs will be determined at the time you retire. For further information visit: <http://www.bradc.ca/en/eng/02-03/02-03-01.html>

8 • Pre-Retirement Death Benefits

Prior to Full Vesting:
Your spouse or beneficiary will receive a refund of your contributions with interest.

After Full Vesting:
Your spouse or beneficiary will receive a lump sum payment equal to the value of your contributions to the plan made prior to January 1, 1997, plus Employer contributions made on your behalf prior to January 1, 1988, plus the commuted value of your accrued pension earned after December 31, 1996, plus any "excess contributions" relating to service after December 31, 1996.

9 • Termination Benefits

Prior to Full Vesting:
You will receive a refund of your contributions with interest.

After Full Vesting:
You will receive a deferred pension payable at your normal retirement date. Alternatively, the commuted value of your deferred pension may be paid in a lump sum provided you have not surpassed your Date of Earliest Reduced Retirement.

10 • Minimum Benefits

You are guaranteed that your contributions made after December 31, 1996 will not be used to provide more than 30% of the value of your benefits earned after that date. Any "excess contributions" will be paid to you on your retirement, termination or death prior to retirement, as applicable. In addition, you are guaranteed that the value of any benefits earned prior to January 1, 1988 shall not be less than the amount that may be purchased with your contributions and the contributions made by the employer on your behalf prior to 1988.

11 • Disability Benefits

Effective January 1, 2005, in order to accrue benefits and service while experiencing a period of disability whether in receipt of benefits from a LTD program or Worker's Compensation, you will be required to continue making contributions to the plan based on the actual rate of pay in effect immediately prior to your period of disability.

These are ESTIMATES only. Your retirement income under the pension plan, CPP, and OAS can only be determined at your date of retirement, based upon your actual pay and service history, and may be higher or lower than the estimates shown above.

GARTH, JOHN

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Termination benefits

Termination means you are leaving the employer before retirement. Benefits payable to you depend on your vesting status.

If you are fully vested you can choose:

- A **deferred pension**, which means the pension you earned while employed will be held in the Plan and paid to you in the form of a pension when you retire, or
- A **commuted value**, which is a lump-sum payment of the value of your pension. A commuted value is not a fixed amount – it can change significantly as interest rates go up and down. You have a few options for depositing your commuted value, but it must be used to provide retirement income in the future.

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Minimum benefits

Minimum benefits ensure that your contributions don't outweigh the benefits they provide. If you over contributed, your **excess contributions** will be repaid to you.

11

Disability benefits

You can continue to earn pension benefits under the plan while on a Long Term Disability leave if you maintain your contributions to the plan based on your pre-disability earnings.