Understanding your annual DC pension statement

1 Personal data

Date of birth: Sets your normal and early retirement dates.

Dates of hire and entry: You are required to join the plan within 24 months of your date of hire (some conditions apply to part-time employees). Date of entry is the date you joined the plan.

Retirement dates: Your normal retirement date is when you reach age 65. You may retire as early as age 55.

It is important to note that early retirement means fewer years of participation and saving in the plan.

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

2 Vesting

When your pension is vested, it means you are entitled to your entire account balance – including the employer contributions and investment income you have earned to date.

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 savings under the defined contribution (DC) provision of the plan. For a description of the terms of the plan, please refer to your employee booklet.

1 ▪ **Personal Data**

Status:	ACTIVE
Plan:	9
Date of Birth:	July 10, 1960
Date of Hire:	November 1, 2007
Date of Entry:	March 1, 2008
Date of Normal Retirement:	August 1, 2025
Date of Earliest Retirement:	August 1, 2015
Spouse or Cohabiting Partner:	JANE SMITH
Spouse or Cohabiting Partner's Date of Birth:	August 20, 1960
Designated Beneficiary:	JANE SMITH
Relationship:	SPOUSE

2 ▪ **Vesting Status**

Vesting Status: Fully Vested

Fully vested means that if you were to leave the plan, you would be entitled to receive the value of the contributions with interest made by your employer on your behalf, as well as the contributions you made to the plan.

3 ▪ **How your DC pension plan works**

When you decide to retire, you will use your DC retirement account balance to provide the type of retirement income that suits you. The size of your account balance depends on your contributions, your employer's matching contributions and the investment return on both.

Your DC plan offers flexibility when it comes to converting your account balance to retirement income. Depending on your age, your options include:

- Purchasing an annuity, which provides regular monthly payments,
- Transferring to a life income fund (LIF) or locked-in retirement income fund (LRIF), which allows you to continue investing your funds during your retirement and to start making regular withdrawals. In this way, you may choose to postpone turning some of your account balance into income until later in your retirement, or
- Transferring to a Locked-in Retirement Account (LIRA), which allows your funds to remain invested until you are ready to purchase an annuity or transfer to a LIF or LRIF.

If you leave before you're ready to retire, you can purchase a deferred annuity, transfer to a LIRA, or transfer to the plan of a new employer (if that plan accepts transfers).

4 ▪ **Accumulated Value of Contributions**

	Your Contributions	Employer Contributions	Your Total Account
Account value at 31/12/2013:	$8,250.00	$8,250.00	$16,500.00
Contributions deposited in 2014:	$1,250.00	$1,250.00	$2,500.00
Investment gain (loss) – net of expenses:	$1,300.00	$1,300.00	$2,600.00
Account value at 31/12/2014:	**$10,800.00**	**$10,800.00**	**$21,600.00**

Rate of return (net of expenses) was credited at 14.60% per year in 2014 on all contributions.

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 the 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

3 How the plan works

When you are ready to retire, you can use your total account balance as retirement income.

Your options when you leave your employer (at retirement or earlier):

- Normal retirement (age 65)
  - purchase an annuity
  - transfer to a Locked-In Retirement Account (LIRA)
- Early retirement (age 55-64) or leave before age 55
  - transfer to a LIRA
  - transfer to a LIF or LRIF
  - purchase a deferred annuity
  - transfer to new employer
  - leave your balance in the plan and buy an annuity when you retire.

4 Contributions

You contribute a percentage of your earnings to the plan and your employer matches your contributions at 100%.

All contributions – yours and your employer's – are invested in the fund, where they earn a rate of return (less expenses).

May 2016