BULLETIN
TRANSPORTATION DISTRICT 140
DISTRICT DES TRANSPORTS 140
International Association of Machinists and Aerospace Workers
Association internationale des machinistes et des travailleurs et travailleuses de l'aérospatiale

ALL IAMAW MEMBERS EMPLOYED AT AIR CANADA
AIR CANADA IAMAW LAY OFF MITIGATION PROGRAM (PENSION) MOA
EXPLANATION DOCUMENT

Dear Brothers and Sisters:

With reference to DL140 Bulletin No. 019 - 2021, this document is written to more fully explain the options provided to our members under the terms of the April 9, 2021, Lay Off Mitigation Program (Pension) Memorandum of Agreement between the IAMAW and Air Canada.

Specifically, this Pension MOA provides our members with an option for either an additional "Temporary Pension" under Section II of the MOA or an "Unreduced Pension from 55/80" under Section III of the MOA.

This Pension MOA is applicable to all IAMAW members within all three (3) of the Air Canada IAMAW Clerical, Finance and TMOS bargaining units who are members of the legacy Air Canada Defined Benefit pension plan.

Q1: What retirement dates are covered by the Pension MOA?

A: The Pension MOA applies to all retirements and terminations from Air Canada and the legacy Defined Benefit pension plan that are effective on either of **June 1, 2021, July 1, 2021 or August 1, 2021**. Any member of the legacy Defined Benefit pension plan who chooses to retire or terminate under Section II or Section III of the MOA on any of these three (3) retirement dates will be eligible to receive an enhanced pension benefit amount as detailed at each of those sections.

Q2: Will the Pension MOA be applicable to any other retirement or termination dates?

A: No. This is a negotiated, time limited agreement between Air Canada and the IAMAW that is effective and applicable only to the retirement and termination dates of June 1, 2021, July 1, 2021 or August 1, 2021.

Q3: Is this Pension MOA only available to IAMAW members?

A: This Pension MOA is specific to and applicable only to IAMAW members who are members of the Air Canada IAMAW legacy Defined Benefit Pension Plan. However, identical Pension MOAs have been agreed to between Air Canada and CALDA, CUPE and Unifor. The terms, conditions and effective dates of those Pension MOAs are exactly the same as the IAMAW Pension MOA. This Pension MOA was not offered to ACPA members.

Cont.

Halifax – Tel/Tél. : 902-481-0077 Fax/Téléc.: 902-481-0079
Winnipeg – Tel/Tél. : 204-987-9254 Fax/Téléc.: 204-987-9252
Calgary – Tel/Tél. : 403-250-3708 Fax/Téléc.: 403-250-3707
Toronto – Tel/Tél. : 905-671-3192 (Toll free/Sans frais : 1-877-426-2948) Fax/Téléc.: 905-671-2114 (Toll free/Sans frais : 1-866-298-0369)
Vancouver – Tel/Tél. : 604-448-0721 (Toll free/Sans frais : 1-877-426-3140) Fax/Téléc.: 604-448-0710 (Toll free/Sans frais : 1-888-310-1688)
Montréal – Tel/Tél. : 514-336-3031 (Toll free/Sans frais : 1-888-992-1010) Fax/Téléc.: 514-336-3039 (Toll free/Sans frais : 1-866-800-3039)

Q4: Who is eligible to receive a "Temporary Pension" as described in Section II of the MOA?

A: Section II, "Temporary Pension" is available to any member of the legacy Air Canada IAMAW Defined Benefit Pension Plan who will have attained at least age 55 and a minimum of 80 points of age plus qualifying service (time in the pension plan) before August 1, 2021. Members who meet these criteria are eligible to receive an additional "temporary pension" that will be payable from their date of retirement (on either of June 1, July 1 or August 1, 2021) until the month of their 65th birthday.

Q5: What is a "Temporary Pension" and how is it calculated?

A: The additional "temporary pension" is an annual sum equal to $400 multiplied by the member's years of allowable service. Allowable service is the amount of time for which you have been credited with service as a member of the Air Canada defined benefit pension plan, calculated in whole calendar months. For ex-CAIL members, their total qualifying and allowable service also includes their pensionable time in the CAIL IAMAW Defined Benefit pension plan prior to the December 2001 pension plan merger transition. The "temporary pension" amount will be paid to the member monthly in addition to their normal unreduced pension that they will be entitled to receive based upon the benefit formula of the pension plan and as calculated at their retirement date.

Q6: How is the "Temporary Pension" calculated for current IAMAW members who have qualifying service in another Union's defined benefit pension plan?

A: Members with allowable service in two different Air Canada Union Defined Benefit pension plans will receive their "temporary pension" based upon their combined total allowable service in both plans. The value of the "temporary pension" will be paid from both Union pension plans pro-rata, based upon the allowable service the member has accrued in each plan. The "temporary pension" will be paid to the member in a single combined monthly payment in a manner similar to their normal combined Air Canada monthly retirement pension.

Q7: What is the maximum "Temporary Pension" that can be paid to a member?

A: The maximum amount of allowable service in the Defined Benefit pension plan is 35 years. Therefore, the maximum additional "temporary pension" that any member could receive would be $14,000 annually ($400 X 35 years). Members must have attained at least age 55 in order to meet the eligibility criteria of Section II. Therefore, the maximum number of years the "temporary pension" could be paid would be ten (10) years, from age 55 to age 65. Members who are older than age 55 at the date of their retirement will receive their "temporary pension" for the number of months remaining from their retirement date until the month of their 65th birthday. The absolute maximum "temporary pension" that could be paid would be $140,000 if a member retired at exactly age 55 with 35 years of allowable service.

Example #1: A member retires on August 1, 2021 at age 58 years and 3 months. They have 35 years of allowable service. Their birthday is in April. The member would receive monthly payments of $1,166.67 ($14,000 annually / 12) every month from their retirement date until the month of their 65th birthday, in April 2028. That means that they would have received 6 years and 9 months (81 months) of "temporary pension" payments. The member will receive a total "temporary pension" of $94,500 (81 months X $1,166,67 per month) paid to them from August 2021 until April 2028 inclusively.

Q8: What happens to the "Temporary pension" if the member dies before the month of their 65th birthday?

A: The additional "temporary pension" is a guaranteed sum. If a member retires under the terms of Section II of the Pension MOA, and dies prior to age 65, any remaining portion of the total amount of their additional "temporary pension" will be paid in a lump sum to their spouse or beneficiaries. That amount will be taxable.

Example #2: A member retires on August 1, 2021 at age 58 with 35 years of allowable service. They will be entitled to receive a guaranteed additional "temporary pension" amount of $14,000 per year for seven (7) years, until the month of their 65th birthday. This is a total of $98,000 (7 years X $14,000). If the member dies in August 2024 at age 61, they would have received $42,000 in additional "temporary pension" payments (3 years X $14,000) from their date of retirement until the date of their death. The remaining $56,000 (4 years X $14,000) would be paid out to their eligible spouse or beneficiaries in a single lump sum payment.

Q9: How can I find out how much qualifying and allowable service I will have on either June 1, 2021, July 1, 2021 or August 1, 2021?

A: If you are considering retiring under the terms of Section II or Section III of the Pension MOA on either June 1, July 1, 2021 or August 1, 2021 but are unsure of your total amount of qualifying and allowable service in the pension plan, you can access that information on the "*Calculations Details*" page of the Aeronet Pension Projection eTool. The online pension projector eTool will show your total accrued qualifying and allowable service as at the retirement date that you have selected. For certainty, ex-CAIL members will see their total CAIL and Air Canada qualifying and allowable service shown on this page as a single total combined amount of qualifying and allowable service.

NOTE: For certainty, service shown on the "*Disability / Maternity*" line of the "*Calculations Details"* page immediately below your Allowable service, is also considered to be allowable service for the purposes of calculating your final pension benefit aa well as your entitlement to an additional pension benefit under this MOA. That is to say any service amount shown on the *"Disability / Maternity"* line will be added to your credited Allowable Service and constitute part of your final total Allowable service amount used to calculate the final value of your pension benefit.

Q10: How can I verify the dollar value of the "temporary Pension" that I would receive if I choose to retire on either June 1, July 1, 2021 or August 1, 2021?

A: Air Canada is in the process of modifying members' pension data and values on a new Aeronet eTool to reflect the additional pension amounts for each member, should they choose to retire on either of these dates. **This eTool will be completed on or before May 3, 2021.** Members also have the option to contact the Employee Care Team (HR Connex) at **1-833-847-3675**. Select Option 4 for "Pension Plan" and then select Option 1 for "Defined Benefit Pension Plan" administrator (Alight) if they wish to ask any questions about their retirement pension benefit or the retirement process.

NOTE: Members should wait until they see their personal information in the eTool before they contact HR Connex Pension (Alight). Alight will not be able to answer any questions about your personal pension data under this program before it is available to you in the eTool.

Q11: Who is eligible to receive an "Unreduced Pension from 55/80" as described in the MOA?

A: Section III "Unreduced pension from 55/80" is available to all members of the IAMAW legacy defined benefit pension plan who will **NOT** have attained their unreduced pension milestone of age 55 plus 80 points of age plus service prior to August 1, 2021. Simply put, it is available to all members of the legacy Defined Benefit pension plan who do not qualify for the additional "Temporary pension" under Section II of the Pension MOA.

Q12: How does Section III of the Pension MOA work and what is the enhanced pension benefit that it provides?

A: Section III of the pension MOA is more complicated and difficult to understand than Section II. To understand and establish the individual benefit of Section III of the Pension MOA, members must first understand how the pension plan rules currently apply for terminations prior to 55/80 in order to understand how this section of the MOA will enhance and increase their pension benefit.

Q13: What is the normal retirement age of the IAMAW defined benefit pension plan?

A: Under the terms of the IAMAW Air Canada defined benefit pension plan, the normal pensionable (retirement) age is 65. This means that an unreduced pension is owed and payable to every member of the pension plan at age 65, regardless of their amount of service. (I.e., they do not need to have 25 years of qualifying service or 80 points of age plus qualifying service to receive an unreduced pension).

Q14: Is age 65 the only age at which a member can receive an unreduced pension from the IAMAW defined benefit pension plan under the current plan rules?
A: No. The IAMAW pension plan has an option to receive an unreduced early retirement pension payable from the first month in which the member is both age 55 and has 80 points or more of age plus qualifying service. A member may retire from Air Canada and the defined benefit pension plan with an unreduced pension on the first day of any month after they have attained both age 55 and 80 points of age plus qualifying service.

Q15: What pension benefit will a member receive under the current rules if they terminate from Air Canada and the defined benefit pension plan prior to age 55 or prior to attaining 80 points of age plus qualifying service?

A: If a member leaves the company and the pension plan prior to attaining the unreduced pension milestone of 55/80, they are eligible to receive their pension benefit as either an actuarially reduced lump-sum commuted value transfer (CVT), an immediate actuarially reduced monthly pension or a deferred, unreduced monthly pension which is payable from age 65.

NOTE: These options may or may not be available to each member individually. The options applicable to each member are dependent upon your age and your years of qualifying service or your points (age plus qualifying service) as at your date of termination or retirement.

Q16: If a member terminates from Air Canada and the defined benefit pension plan prior to attaining the 55/80 unreduced pension milestone, are they forced to take a reduction in their pension?

A: No. Members can choose to take a reduction in their pension benefit in order to start receiving their pension early, but they cannot be forced to do that. Members who leave the company and the pension plan prior to 55/80 will always have an option under the current plan rules to defer their pension until age 65, at which time it will be paid unreduced.

Q17: How much would a member’s pension benefit be reduced if they choose to terminate from Air Canada and the defined benefit pension plan prior to 55/80 under the current pension plan rules?

A: If a member is entitled to, and chooses to take an immediate reduced pension, the total dollar value of their pension will be actuarially reduced based upon their age as at the date of termination relative to age 65. That is to say, the younger the member is at their date of termination, the larger the actuarial reduction of their pension will be.

Q18: What is the actuarial reduction and how is it calculated under the current pension plan rules?

A: An actuarial reduction is based upon a formula that incorporates the effective interest rate as at the date of termination as well as mortality assumptions. Therefore, the actual amount of any actuarial reduction cannot be known with certainty until after the date of termination, when the interest rate will be known with certainty. Any actuarial reduction that is calculated prior to the termination date is only an estimate based upon the actuaries' best guess at what

the interest rate will be as at the termination date. For rough estimation purposes, using the current applicable interest rate as a guide, the actuarial reduction is of the magnitude of 4% - 5% per year, compounded. (I.e., an **approximate estimated range** for actuarial reductions at these interest rates would be of a magnitude for 1 year (age 64) = 4% - 5%; 2 years (age 63) = 7.8% - 9.75%; 5 years (age 60) = 18.5% - 22.6%; 10 years (age 55) = 32.8% - 40.2%; etc.). Actuarial reductions are calculated in whole months, from the member's age (in years and months) at the date of termination until the month of their 65th birthday.

Q19: If a member applies for an "Unreduced pension from 55/80" under the terms of Section III of the MOA, when are they eligible to receive an unreduced pension?

A: Under Section III of the MOA, a member who terminates from Air Canada and the Defined Benefit pension plan prior to attaining both age 55 and 80 points of age plus qualifying service, will be able to defer their pension at their date of retirement until the date they would have attained their 55/80 unreduced pension milestone, without an accumulation of service. They do not have to wait until age 65 to receive an unreduced pension as they do under the current pension plan rules.

Q20: What does without an accumulation of service mean?

A: It means that the amount of qualifying service the member has will be "frozen" at the amount of qualifying service they have as at their date of termination. There will be no further credit or accumulation of qualifying service beyond their termination date. This is exactly what happens during the period a member is on lay off status, until they return to active service and restart accumulation of qualifying service. Under the terms of the Pension MOA, members will not return to active service and will not have the ability to accumulate any additional qualifying service after their termination date.

Example #3: A member who chooses to terminate from Air Canada and the defined benefit pension plan under Section III of the MOA at age 54 with 25 years (or more) of qualifying service would be able to defer their pension for one (1) year until their 55th birthday (55+25=80) and start to receive an unreduced pension benefit payable the first month after their 55th birthday (instead of their 65th birthday). If the same member, age 54 only had 23 years of service at their date of termination, they would have to wait until they turned age 57 (57+23=80) to start to receive an unreduced monthly pension (instead of their 65th birthday).

Q21: How is this Section III of the MOA different or better than terminating under the current pension plan rules?

A: Under the current rules, if a member terminates from the plan prior to 55/80, they must wait until age 65 before they can receive their unreduced pension benefit. Section III of the MOA allows for any member who has 25 years or more of qualifying service to terminate from the plan at any age less than 55 and only have to defer their pension until their 55th birthday in order to begin to receive their unreduced pension benefit. That is ten (10) years sooner than the current plan rules allow.

Q22: What if a member has less than 25 years of qualifying service as at their date of termination under Section III of the MOA?

A: Under the current rules, if a member terminates from the plan prior to 55/80, they must wait until age 65 before they can receive their unreduced pension benefit. Section III of the MOA allows any member who has less than 25 years or 80 points of qualifying service to terminate from the plan at any age and receive an unreduced pension starting the month that their age and their qualifying service equals 80 points, without an accumulation of qualifying service. That can be up to as much as nine (9) years and eleven (11) months sooner than the current plan rules allow depending upon their actual amount of qualifying service (I.e., 24 years and 11 months or less of qualifying service).

Q23: How is a member's 80 points unreduced pensionable date calculated?

A: As explained in the answer to Q5, qualifying and allowable service are calculated in whole calendar months. Everything to do with the calculation of pension benefits is done using whole calendar months, including the member's age. That means a member is eligible to start receiving an unreduced pension benefit the first month after their age plus their qualifying service equals 80.0000 or more, when calculated in whole calendar months.

Example #4: A member terminates under the terms of Section III of the Pension MOA at age 53 with 24 years and 11 months of qualifying service. Their qualifying service will be frozen at 24 years and 11 months (24.9167 years). Therefore, when they turn age 55 years and 1 month (55.0833 years), they will be eligible to commence receiving their unreduced pension benefit. If the same member only had 22 years and 4 months (22.3333 years) of qualifying service, they would be able to commence receiving their unreduced pension benefit the month after they turn age 57 years and 8 months (57.6667 years).

NOTE: In both of these examples, (and for any termination prior to attaining 55/80) under the current pension plan rules, the member would not be eligible to start receiving their unreduced pension benefit until their 65th birthday.

Q24: What if I can't afford to defer my pension to a later date? Will members who choose to terminate under the terms of Section III or the Pension MOA have any other options to receive their pension benefit?

A: Yes. Members retain the exact same options to receive their pension benefit as they do under the current pension plan rules. They will have an option to receive their pension as an actuarially reduced lump-sum CVT payment if they are less than age 55. The lump-sum CVT option is available to all members who terminate prior to their 55th birthday. In addition, members who have 70 points or more of age plus qualifying service are eligible to receive their pension as an immediate actuarially reduced monthly pension benefit. However, the amount of the actuarial reduction that would be applied to either of these early pension options will be much less than the normal actuarial reduction that is applicable under the current pension plan rules. That is because the actuarial reduction will be calculated from their 55/80 date and not their age 65.

NOTE: If a member chooses to take their pension benefit as a lump-sum CVT transfer rather than a monthly pension, it is still subject to the requirements of *the Pension Benefit Standards Act* and the *Income Tax Act* to transfer that money into a locked-in RRSP or similar. Money invested in a locked-in RRSP or similar, can typically be accessed anytime after age 55. It is possible that a portion of the lump sum will be paid directly to the member as taxable income.

Q25: How will the actuarial reductions be calculated under Section III of the Pension MOA?

A: The actuarial reduction applicable to immediate reduced pensions payable to members who terminate prior to 55/80 under Section III of the Pension MOA will be calculated based upon the relative age of the member as at their date of termination as compared to the date on which they would attain their unreduced pension milestone of 55/80 without an accumulation of qualifying service. This means that the member's pension benefit would be subject to a much smaller actuarial reduction than would be applicable under the current pension plan rules, whereby the actuarial reduction is applied from age 65. That means that the actuarial reduction is calculated over a shorter time period, which makes it a smaller reduction.

<u>Example #5:</u> A member terminates under the terms of Section III of the Pension MOA at age 53 with 24 years and 11 months of qualifying service. Their qualifying service will be frozen at 24 years and 11 months (24.9167 years). Therefore, they will attain their unreduced pensionable milestone at age 55 years and 1 month (55.0833 years). Under the terms of Section III of the Pension MOA, their actuarial reduction would be based upon their age at termination (53 years) as reduced from their unreduced pensionable age (55 years and 1 month). An approximate actuarial reduction of 4% - 5% per year compounded would equal a reduction based upon 2 years and 1 month (~9.75%) versus an actuarial reduction based upon 12 years until age 65 (~46%). That means the member would receive approximately a 36.25% larger pension benefit payable immediately at their date of termination.

<u>Example #6:</u> A member terminates under the terms of Section III of the Pension MOA at age 56 with 20 years and 3 months of qualifying service. Their qualifying service will be frozen at 20 years and 3 months (20.2500 years). Therefore, they will attain their unreduced pensionable milestone at age 59 years and 9 months (59.7500 years). Under the terms of Section III of the Pension MOA, their actuarial reduction would be based upon their age at termination (56 years) as reduced from their unreduced pensionable age (59 years and 9 months). An approximate actuarial reduction of 4% - 5% per year compounded would equal a reduction based upon 3 years and 9 months (~17.5%) versus an actuarial reduction based upon 9 years until age 65 (~37%). That means the member would receive approximately a 19.5% larger pension benefit payable immediately at their date of termination.

Q26: How is Air Canada able to pay for the additional and enhanced pension benefits that are being offered in accordance with Section II and III of the Pension MOA, given their current financial circumstances?

A: Air Canada is not directly funding the cost of this pension MOA. The cost of this Pension MOA is being funded from the existing solvency funding surplus of the Air Canada IAMAW Defined Benefit Pension Plan. The most recent official annual actuarial valuation (01 January 2020) shows our pension plan with a solvency funding surplus of $888 Million which represents a solvency funding ratio of 117%. Depending on how many members choose to retire or terminate under the terms of this Pension MOA, Air Canada estimates that the solvency funding ratio will remain above 115%.

Q27: What happens to the additional “temporary pension” payments or the enhanced “Unreduced pension from 55/80” if Air Canada was to file for CCAA or cease doing business at some time in the future?

A: All of the pension benefits owed to all plan members, including all additional and enhanced pension benefits provided under the terms of this Pension MOA are secured by the Air Canada Pension Master Trust Fund (MTF). The MTF is held in trust by CIBC Mellon and is completely separate and segregated from all Air Canada financial accounts. The MTF is protected by law and belongs solely to the members of the Air Canada Defined Benefit pension plans. The MTF can only be used to pay the accrued and owed pension benefits of all plan members. Because of the very significant solvency funding surplus in the pension plan, all members will continue to receive 100% of all owed pension benefits, including those granted under the terms of this Pension MOA regardless of the financial or operational status of Air Canada.

Q28: Why can Air Canada limit the number of members who can choose to retire under Section II and III of the Pension MOA?

A: Because the cost of the additional and enhanced pension benefits will be paid from the pension plan solvency funding surplus, Air Canada as the pension plan sponsor, has a fiduciary duty of funding and care to ensure that the financial status of the pension plan remains stable and sustainable over the long term for all plan members. If the cost of the Pension MOA exceeds the cost anticipated by Air Canada, by law, they have to retain the ability to control and limit the funding burden that will placed upon the pension plan trust fund.

Q29: If Air Canada choses to limit participation in Sections II and III of the Pension MOA, how will they determine who will be approved and who will be denied approval for a "temporary pension" or an "unreduced pension from 55/80?

A: At this date, Air Canada has not yet determined what criteria would be used to decide who would be eligible and who would be denied. The company has not developed a decision matrix at this time because they do not anticipate the MOA being oversubscribed and are not expecting to have to limit participation. The company, as the pension plan sponsor, is required to include the right to limit participation as an extension of their fiduciary duty for the pension plan funding.

Q30: When can members apply for either a "temporary pension" or an "unreduced pension from 55/80" under the terms of Section II or Section III of the Pension MOA?

A: The deadline for application for any enhanced pension benefit under the terms of the Pension MOA is **Friday, May 14, 2021**. This deadline applies for all retirement and termination requests for all three (3) eligible retirement / termination dates of either June 1, 2021, July 1, 2021 or August 1, 2021. **No late applications will be accepted.**

Q31: How do members apply for either a "temporary pension" or an "unreduced pension from 55/80" under the terms of Section II or Section III of the Pension MOA?

A: All members who wish to apply for any enhanced pension benefits under the terms of the Pension MOA should first follow the normal retirement application process exactly as if they were normally applying to retire on either of the three (3) applicable retirement dates of June 1, 2021, July 1, 2021 or August 1, 2021. Retirement applications will only be accepted by Air Canada within ninety (90) days of the member's requested retirement date. Members who wish to apply for an August 1, 2021 retirement date cannot submit their applications until May 2, 2021.

NOTE 1: Retirement applications can either be submitted online via the Aeronet HR Connex Pension website (using the *"Retirement Hub*" tile) or via telephone to the Employee Care Team (HR Connex) at **1-833-847-3675** and Select Option 3 "*Retirement Guidance*".

NOTE 2: All members will also need to complete and submit an online application using the pension website to submit a specific application for either a "temporary pension" under Section II or for an "Unreduced pension from 55/80" under Section III of the Pension MOA as applicable.

NOTE 3: Full details of the application and confirmation process are still being finalized by Air Canada and will be communicated to all employees via the Aeronet when that process is completed.

Q32: If a member has already previously submitted a retirement application for either June 1, 2021 or July 1, 2021, prior to the signing of the Pension MOA, do they need to cancel their retirement application and reapply?

A: No. If a member has already submitted a retirement application for either June 1, 2021 or July 1, 2021, those retirement dates are automatically included as eligible dates under the terms of the Pension MOA. **However, all members will also need to complete and submit an online application using the pension website to submit a specific application for a "temporary pension" under Section II of the Pension MOA as explained at Q31, Note 2.**

Q33: If a member is on ODS status, laid off status, GDIP or WCB, are they eligible to apply for either a "temporary pension" or an "unreduced pension from 55/80" under the terms of Section II or Section III of the Pension MOA?

A: Yes. This Pension MOA is available to and applicable to all IAMAW members in all three bargaining units, Clerical, Finance and TMOS, regardless of their current employment status, both active and inactive.

Q34: If a member chooses <u>not to apply</u> for either a "temporary pension" or an "Unreduced pension from 55/80" under the terms of this Pension MOA on either June 1, 2021, July 1, 2021 or August 1, 2021, will those options be available at a later retirement date?

A: No. This Pension MOA is a negotiated, time limited offer that is applicable for retirements and terminations that will be effective on these three (3) dates only. The terms and conditions of this MOA will not be offered or applicable to any later retirement dates. Members who submit for a retirement or termination from the Air Canada IAMAW legacy Defined Benefit Pension plan effective for September 1, 2021 or any later date, will be subject to the normal rules and provisions of the pension plan text.

<u>NOTE 1:</u> For certainty, members who have attained age 55 with 80 or more points of age plus qualifying service will only be entitled to receive their normal unreduced pension benefit at their chosen date of retirement, if it is effective any time on or after September 1, 2021. They will **NOT** be eligible to receive the "temporary pension" amount.

<u>NOTE 2:</u> For certainty, members who are less than age 55 or who have less than 80 points of age plus qualifying service will only be entitled to their normal actuarially reduced pension benefit at their chosen date of termination, if it is effective any time on or after September 1, 2021. That means that their unreduced pension will only be payable from age 65. All other immediate reduced pension benefits which they are eligible to receive, will be subject to the normal actuarial reduction factor as calculated from their age 65.

Respectfully submitted,

Christopher Hiscock
Chairman
Air Canada IAMAW Pension Committee

CH:mdr moveup

BULLETIN NO. 020 – ISSUED APRIL 15, 2021
PLEASE COPY, POST AND CIRCULATE