



Interior Lumbermen's Pension Plan

MEMORANDUM

TO: All **Sawmill Division** Participating Employees
FROM: Board of Trustees of the Interior Lumbermen's Pension Plan
SUBJECT: Employee Contributions
DATE: September 2021

The Interior Lumbermen's Pension Plan (ILPP) which is a multi-employer plan, that has been in existence since 1980. It is overseen by an independent board of trustees (the Board). The Board creates the pension plan rules and plan text; these are reviewed periodically. The Board has the legal duty to act in the ILPP members' (your) best interests which includes preserving and growing plan funds, adjusting benefit payments in accordance with plan funding, administering the plan equitably and in accordance with plan rules and the law.

Pension plans supplement your personal savings and government pension benefits in retirement. Contributions are pooled together and invested for the long term. The ILPP provides for a Target Benefit pension, which means once you retire, you will be provided a monthly pension benefit for your lifetime.

Effective January 1, 2022, an employee contribution will now be required by all participating employees of the ILPP Sawmill Division. This change is being driven by requirements for funding under the BC Pension and Benefit Act, it is also being added to protect the financial health of the ILPP

Employee contributions to pension plans are not uncommon in our industry. Listed below, please find a comparison of other pension plans in the industry and their contribution rates.

Pension Plan Name	Employer Rate	Employee Rate	% of Total Contribution Paid by Employee
ILPP (Your Plan)	11.25%**	2%*	15%
IWA	\$3.675/hr	\$2.225/hr	38%
Pulp & Paper	10%	8%	44%

*The employee contribution represents approximately \$0.50/hour (varying dependent on your hourly rate).

** The employer contribution represents an approximate \$3/hour benefit in pay (this varies based on your hourly rate).

This contribution will be deducted directly from your pay. It will be the responsibility of your employer to submit the appropriate contributions on behalf of both the employee and the employer. Your employee contributions are tax deductible against your employment income much like an RRSP. This will be reflected on your T4 accordingly.

Implementing this change is a necessary decision that was not taken lightly by the Board. This change will preserve the benefits accrued and ensure that the ILPP is not only sustainable, but also put it in a position to potentially offer benefit improvements in the future. **Please visit the Interior Lumbermen's website at ilbg.com for further information regarding your pension plan.**