Trustees of the plan

The Board of Trustees met in June and October to review and manage the operations of the pension plan. As a further safeguard, the plan's 2016 financial statements were audited, as they are each year.

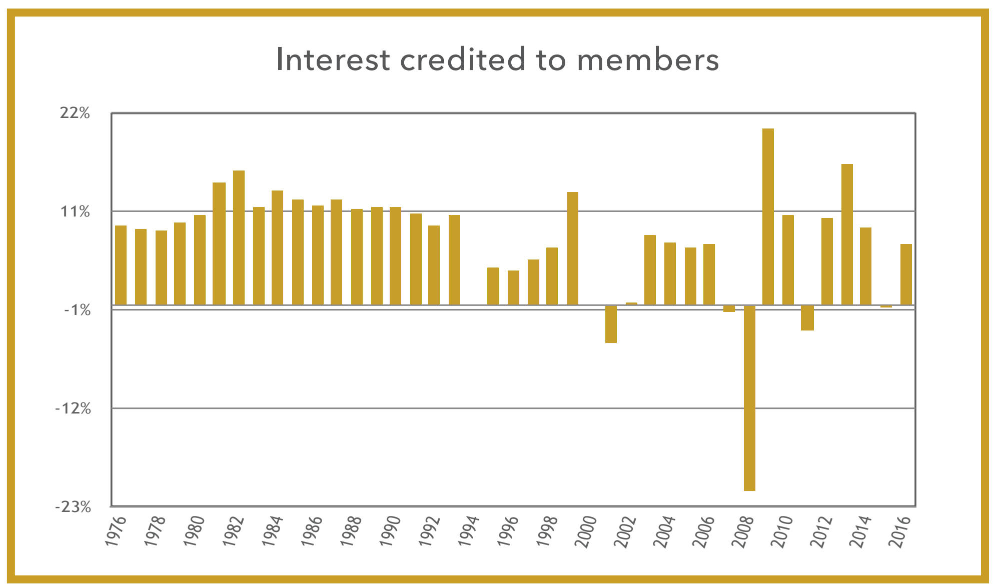
This involves a review of each expense, the process of paying member benefits, and contributions into the plan. The auditor found that the statements were fairly presented and the plan's records were in order.

This plan is a Union-sponsored pension plan independently managed by a Board of Trustees:

This material has been compiled by the Trustees from information provided to them and is accurate to the best of their knowledge at the date of printing. Formal legal documents ultimately govern the operation of the plan, including the plan text, trust agreement and relevant legislation. Should there be any discrepancies between the information in this newsletter and the actual provisions in the plan text and trust agreement, the plan text and trust agreement prevail.

Plan income & expenses

	2016	2015
Net Assets Available for Benefits at Beginning of Year	32,440,505	31,683,413
Contributions	2,027,792	2,377,737
Net Investment Income	2,809,669	410,588
Pensions	(3,093,486)	(1,773,091)
Fees: Investment, Custodial, Administration, Legal, Audit	(245,461)	(258,142)
Net Assets at End of Year	33,939,019	32,440,505
Fees as a Percent of Average Net Assets	0.74%	0.81%
Most RRSPs have fees of 2.5% or 3% of assets; this plan's fees are 0.74%!		



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Boilermakers Lodge 191 Pension Plan

New plan feature in 2016 – payments from the plan

When you retire, you may now choose to convert your balance into a series of payments from the plan, similar to the life income fund option that was already available. Advantages of this option:

- Retirees may choose a different pension amount for each year.
- Aside from the monthly payments, your account balance remains fully invested with the other plan assets, to benefit from the lower costs found in group pension plans. This is very important as 60 cents of every retirement dollar usually comes from investment gains earned after retirement.
- In a year with low returns, your benefit (aside from monthly payments) remains invested to rebound with the stock market.

Unless you buy an annuity when you retire, the other options, including the payments from the plan, do not guarantee lifetime income, and payments may decrease some years.

Your RRSP contribution room

Pension contributions are listed on your T4 slip and reported in the same section of your tax return as your RRSP contributions. Each year, you are permitted to contribute less to your RRSP than someone who is not a member of a pension plan, since the contributions to this pension plan have already been tax sheltered.

This rule is designed so that those with pension plans are not allowed to tax shelter more income in a retirement plan than those without pension plans. Therefore, your RRSP contribution room is reduced by your "pension adjustment", the amount listed in Box 52 of your T4, which is the amount of contributions made by that employer in the year to your pension plan. Your pension adjustment from the previous year is used to reduce your RRSP contribution limit for the current year. For example, your pension adjustment from 2016 is used to lower your RRSP contribution limit for 2017.

One big advantage of pension contributions is that your taxable income is reduced by the pension contribution BEFORE income tax is deducted. You don't get any tax back on these contributions because you didn't pay tax on them in the first place. The tax that would have been paid on those contributions sits in your account all year and earns interest for you.

How can I get a bigger pension?

Your pension benefit is the total of contributions made for hours you earned plus investment returns. In general, your pension will be larger if you work more hours, make larger voluntary contributions, and if you retire later. Once you retire, unless you choose an annuity, your investment choices will affect your balance and hence the amount you have available to withdraw.

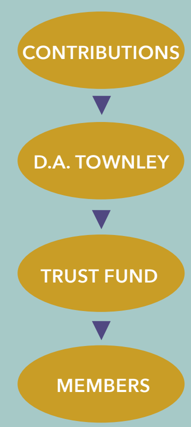
Update your address and beneficiary!

The data we have on file will determine your pension and how we contact you. It is very important that your address, birth date, e-mail address, and beneficiary information on file are up to date. Contact D.A. Townley to confirm this.

What is meant by "locked–in"?

Pension laws state that benefits must be locked-in. This means the money must be used for providing a monthly retirement income, and can't be withdrawn in one lump sum.

How the plan works



Every time you are paid, your employer makes pension contributions to the plan administrator – D.A. Townley – on your behalf. Those contributions are checked, the money is deposited to the trust account in which all the pension funds are held, and your account is credited with your share.

The contributions are not taxed before they are deposited to the trust. You are not taxed on investment gains or on contributions. You are taxed on any money you withdraw from the plan, but that is usually once you are in a lower tax bracket.

Your retirement options are:

A) Receive guaranteed level payments throughout your retirement by converting your balance to an annuity.

B) Withdraw from the plan, transferring your benefit to a locked-in retirement account. This is an investment account. Later, you can convert it to an annuity (fixed guaranteed payments), or a Life Income Fund (LIF) which allows varying payments.

C) LIF – Payments from the plan: Receive payments from your account balance, which remains invested with the plan. A LIF provides you with flexibility over the timing and amount of payments you receive. You can choose how much money you will withdraw, provided that it falls between the minimum and maximum levels set by legislation. You may choose monthly or annual payments.

D) Leave your money in the plan, to choose one of the above options later. You must choose one of the above options by the end of the year you turn 71.

If you are interested in a detailed comparison of all your options, please contact Craig Drake-Johnson at D.A. Townley at 604.299.7482 ext. 335

Which option is right for me?

An annuity, a LIF and a locked-in retirement account are very different retirement vehicles and the Trustees strongly recommend that you seek independent financial advice before making a decision.

While some people will like the certainty that an annuity provides, others will prefer the flexibility of a LIF. Similarly, once you have purchased an annuity, you do not have to decide how to invest your retirement savings and you have no exposure to the volatility of the stock market.

What does "terminated" mean? Am I going to lose my pension?

No. If you become a terminated member of the pension plan, this just means you have a different membership status in the plan. If you work less than a total of 350 hours in a 2-year period, your status in the plan changes from active to terminated, which simply means you have the option to transfer your pension benefit from the plan. You may also leave your benefit in the plan.

New CPP

Starting in 2019, contributions to the Canada Pension Plan (CPP) will gradually increase and members will earn larger pensions from the CPP. See the estimated impact for you of the CPP enhancement by entering your age and earnings on this website: www.cppenhancement.ca

You can take a reduced pension as early as age 60 or begin receiving an increased pension after age 65. Once you reach age 70, there is no financial advantage in delaying CPP, as the payments do not increase after age 70. An individual who starts receiving their retirement pension at age 70 will receive 42% more per year than if they had taken it at 65.

The average payment from the Canada Pension Plan in October 2016 was $644/month. The maximum monthly CPP for 2017 is $1,114.17, but most retirees receive less than the maximum since they did not contribute the maximum amount in years where their earnings were lower. Pension payments from the CPP and OAS increase each year based on the amount of increase in the cost of living, which protects retirees in times of high inflation. The income from CPP and OAS is taxable.

In addition to the Canada Pension Plan, those who have lived in Canada for at least 10 years may receive Old Age Security (OAS) payments from age 65. For January to March 2017, the maximum OAS payment is $578.53/month. You may defer your OAS Pension by up to 60 months in exchange for a higher monthly amount. A Guaranteed Income Supplement is paid to low-income Canadian seniors, in addition to OAS. If you earn more than a total of $74,789 while retired, you will be required to repay some of your OAS. For more information, call Service Canada at 1-800-277-9914 or visit www.canada.ca

May I take my money out?

Contributions grow tax-free until you withdraw your benefit, which you may do once one of the following apply:

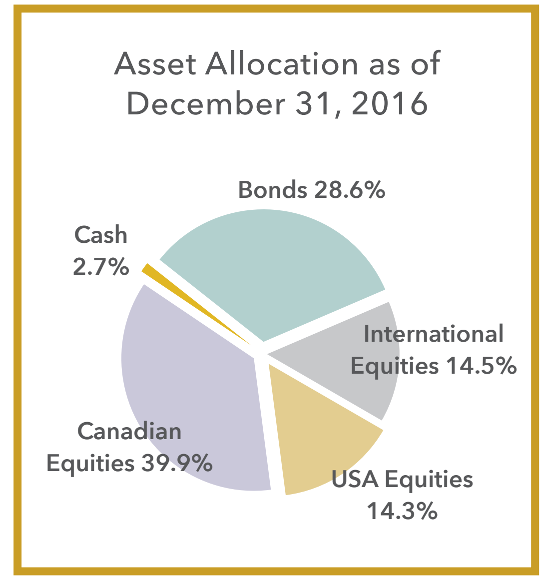
- you are over 55
- you have not worked in the past year
- you become disabled
- you are terminally ill
- you die.

If you have a break in service in the plan, but return to work before choosing your payment option, you no longer will be allowed to transfer your benefit out until you meet one of the above conditions again.

If you do qualify for transfer options, note that pension benefits are locked-in, which means that even once they are transferred to a bank or elsewhere, laws limit the amount you may withdraw each month.

Plan returns

The plan had $33,939,019 and 593 members. The gross rate of return in 2016 (before expenses are deducted) was 8.8%!



The "market" numbers show the return of a blend of several stock and bond market indices weighted as follows:

▸ Canadian bonds	45%
▸ Canadian stocks	35%
▸ US stocks	10%
▸ International stocks	10%

At least once a year, the Trustees review the investment strategy of the plan. The investment managers are permitted to select assets within the constraints of that strategy. For example, 40% – 75% of the assets may be invested in stocks, with the remainder in bonds and short-term investments.

Bonds are expected to underperform stocks over the longer term. Currently, the investment manager chooses to gradually reduce the allocation to stocks.

Who can I designate as my beneficiary?

You can name anyone as your beneficiary. However, if you have a spouse (which includes a common-law partner), any death benefits are automatically payable to your spouse, unless she or he has signed a certain waiver.

Contact D.A.Townley

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