



Canadian Airways Lodge No. 764

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

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BULLETIN

Air Canada Pension Communication

The IAM & AW Air Canada Pension Committees have been informed by the Air Canada Pension Department that they have today sent a 12 page communication document via Canada Post to the home addresses of all Air Canada IAM & AW members.

The document that you receive will be specific to the pension plan of which you are a member, either the original Air Canada Main Plan or the ex-CAIL IAM & AW Plan. This is because there are some differences between the plans but the main message of the communications document is the same for both plans.

The document is to inform all pension plan members of the changes that will occur to the pension plans effective January 1, 2014 as a result of the June 2012 Picher Award Pension MOA and to explain the possible impact that these changes may have on individual pension values and choices after that date. For the IAM & AW there are only two (2) changes of note.

First, the Air Canada Pensionable age will increase to age 65 in both pension plans, but an unreduced pension will remain payable to all members upon the attainment of both age 55 and 80 points of age + qualifying service and with the consent of Air Canada. Such consent has been granted to all IAM & AW members for the life of the current collective agreement.

The second change in the plan text will not actually result in a change to any member's benefits from the current rules. That change is the much talked about change in the normal form pension to the Guaranteed Ten (10) year form, (the G10 form). As a result of an agreement between Air Canada and the IAM & AW in the Picher Award Pension MOA, this change to the normal form pension will be deemed "inoperative" as a result of Air Canada having been granted a seven (7) year funding relief agreement by OSFI.

The net result of the G10 pension form being inoperative means that the G10 option will not be offered to members and there will be absolutely no change whatsoever in the dollar values of the current existing J&S50% and J&S60% survivor pension options for all terminations and retirements both before and after January 1, 2014.

Respectfully,

Christopher Hiscock,
Chairman, ex-CAIL Pension Committee
President Canadian Airways Lodge 764

****PLEASE POST****