

**CANADIAN COMMERCIAL WORKERS INDUSTRY PENSION PLAN (“CCWIPP”)  
QUESTIONS AND ANSWERS ABOUT THE STABILIZATION FUND (“SF”)**

1. Q. Why bother with the SF?

A. If the Agreement concerning the SF had not been reached with the Superintendent of Financial Services (the “pension regulator”), the Trustees would likely have had to change the benefit scale in 2006. The Agreement is a good thing for everybody as it gives the United Food and Commercial Workers Union, Canada (“UFCW”) and the Participating Employers time to negotiate contributions to the SF and, hopefully, eliminates any future requirement for benefit reductions or reduces the amount of benefit reductions that might otherwise be required in the future.

2. Q. Why is there a funding shortfall in the CCWIPP?

A. The investment returns and the amount of contributions are below that necessary to support the liabilities of the CCWIPP. The early years of this decade presented unusual investment challenges for all pension plans because of low returns in the bond market and the volatility of the equity markets. The fact that Pensioners are living longer also had a direct impact on the CCWIPP’s funding by increasing the liabilities.

3. Q. How much must an employer contribute to the SF?

A. The amount contributed to the SF, by an employer participating in the CCWIPP, will be determined at the time the related collective agreement is renegotiated.

4. Q. How will I know if my employer has agreed to pay contributions to the SF?

A. You can check your collective agreement or contact your local union representative.

5. Q. Can the Members make contributions directly to the SF?

A. No.

6. Q. Will the SF contributions outlined in my union contract appear on my annual pension statement?

A. No. The information on your statement tells you the amount of the benefit accrued on your behalf to the end of a calendar year. The statement does not include information concerning the amount of contributions remitted to the CCWIPP. This is because the CCWIPP is a defined benefit pension plan and not a money purchase pension plan.

7. Q. Will my monthly pension be reduced?

A. Every effort is being made to ensure that pension payments are not reduced. If it is necessary to do so, in the future, Members and Former Members will be given advance notice of the reduction, if any, by the Trustees of the CCWIPP. Like every other registered multi-employer pension plan, the benefit payments are not guaranteed and may be reduced, if required, based on the funding status of the CCWIPP.

8. Q. What if my union contract does not call for contributions to the SF?

A. If your employer and the UFCW enter into a collective agreement before December 31, 2010, that does not provide for contributions to the SF, the Trustees may, subject to limited exceptions, take immediate action to reduce the benefits of the Members, and where permitted by applicable law, Former Members, working or previously working for that employer, in the applicable bargaining unit. The benefit reduction will be determined by the Trustees, on the advice of the actuary.

9. Q. If the benefit scale is changed, will it be adjusted retroactively?

A. The Trustees are hopeful that, if the benefit scale is changed, the benefit level will be adjusted on a go-forward basis.

10. Q. Is it possible that there could be more than one scale of benefits?

A. Yes.

11. Q. Could there be benefit reductions before December 31, 2010?

A. Yes. Please refer to the answer to Question No 8. Benefits may also be reduced before December 31, 2010 if an employer withdraws from the CCWIPP (please refer to Question No. 13) or if a pension regulatory authority determines that the SF may not continue to operate until December 2010.

12. Q. Could there be reductions to my benefits after 2010 even if my employer made contributions to the SF?

A. Yes. Benefits may be reduced if the amount of the contributions to the SF is not sufficient to support your benefits, but the reduction will be less than if no SF contributions had been made.

13. Q. What happens if a group no longer participates in the CCWIPP?

- A. If a group, on whose behalf contributions were made to the SF, withdraws from the CCWIPP before December 31, 2010, the benefits of those Members, and where permitted by applicable law, Former Members (excluding Pensioners), will be determined based on the funded status of the CCWIPP at that time. The SF contributions, applicable to that group, will be used to mitigate or eliminate any reductions. The benefits of Pensioners may be adjusted following the release of the actuarial valuation report as of December 31, 2010 (or any earlier date required by the pension regulator).

If the terminating group had no contributions made to the SF on their behalf, and the withdrawal date is before December 31, 2010, the benefits of those Members, and where permitted by applicable law, Former Members (excluding Pensioners), will be determined based on the transfer ratio of the CCWIPP at that time. The benefits of Pensioners may be adjusted following the release of the actuarial valuation report as of December 31, 2010 (or any earlier date required by the pension regulator).

14. Q. What is the transfer ratio of the CCWIPP?

- A. As at December 31, 2006, the date of the latest actuarial valuation report, the CCWIPP had a transfer ratio of 52%.

*This document is intended to provide Members with a summary of the SF changes to CCWIPP. In the event of a discrepancy between the terms of the CCWIPP plan text and/or the SF agreement with the pension regulator and the contents of this document and the attached notification, the CCWIPP plan text and/or SF agreement shall govern.*