

# U.A. Local 787 Pension Plan

## Variable Benefit Account



A **Variable Benefit Account (VBA)** is a type of Registered Retirement Income Fund (RRIF) that pays you income from your pension account in the Pension Plan during your retirement. U.A. Local 787 Pension Plan Members can now have a VBA from the Plan when they retire, instead of moving their pension account out of the Plan.

### How it Works

The Plan's VBA is an option at retirement.

Choosing the Plan's VBA means:

- Your money will remain in the U.A. Local 787 Pension Plan,
- You set how much you will withdraw each year (there are legislative minimums and maximums),
- You will earn net investment income on your fund account,
- You can close your VBA at any time and invest your funds elsewhere, subject to applicable law.

### Benefits of the Plan's VBA

#### Funds professionally managed

Your money will be professionally managed by the UA Local 787 Pension Plan's investment managers. You will be taking advantage of the Plan's diversified portfolio and avoiding the potential stress of investing on your own.

#### Earn Investment Income

You will earn investment income in your account based on the Plan's returns.

The Plan's net return 4-year average return was 8.2%, including 5.5% in 2025.

#### Tax Advantages

Your savings are tax-deferred until withdrawn, meaning you only pay taxes on the amount you withdraw each year.

#### Lower Fees

Your investment management fees will be lower than a retail account meaning you have more money for your retirement.

Purchasing an investment account (LIF/RRIF) as an individual usually leads to 2-3% per year in investment fees. Because the Plan's invested funds are much larger, the Plan typically pays 0.4%-0.6% per year in fees.

#### Beneficiary Benefits

When you die, the balance of your VBA goes to your spouse. If you don't have a spouse at that time, the money will go to the pension beneficiaries you named.

### Considerations

Regulations around VBA's also apply to the Plan's VBA. These include:

- There are minimum and maximum amounts you would need to withdraw in a year.
- You cannot start a VBA until you reach at least the Plan's early retirement age of 55.
- You can transfer all or a portion of your money out of the VBA to an eligible account at any time, subject to fees.
- If you have a spouse, they must complete a Waiver of Joint and Survivor Pension when you apply.

### You can withdraw a maximum of 50% of your Pension Account

Pension regulations allow you to withdraw up to 50% of your pension account in the Plan at retirement. You can advise the Plan if you wish to make this withdrawal when you retire.

The withdrawal you make is subject to tax. Your spouse must sign a waiver to allow this withdrawal.

## To Qualify

As an active member of the Pension Plan, or a former member who has not withdrawn money from the Plan, you qualify for the VBA option if you:

- Are no longer contributing to the Plan.
- Are at least 55 years old.
- Your pension account balance at your retirement is above 20% of the Year's Maximum Pensionable Earnings (YMPE). The YMPE in 2026 is \$74,600.

## How to Apply for the VBA

To apply for the Plan's VBA, when you elect to retire, you would choose the VBA option and submit your election, along with completing and submitting all other applicable forms or documents as outlined in your package.

## For More Information

Review the Variable Benefit Account booklet on the Member Portal - Plan Documents page.

Email: [info@787benefits.ca](mailto:info@787benefits.ca)

Phone: (905) 946 – 2220

Toll-Free: (866) 946 – 2220



# Questions?

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