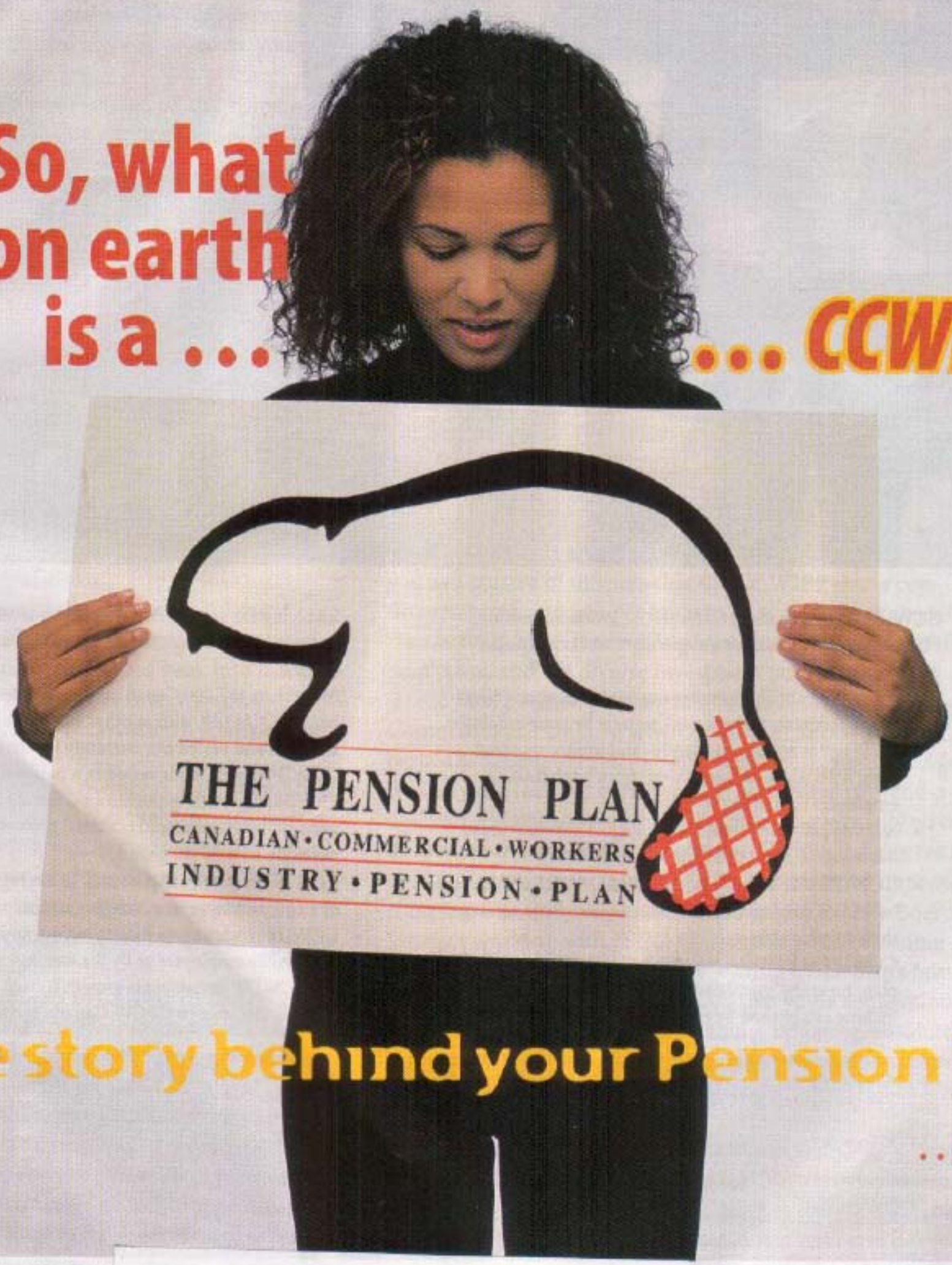


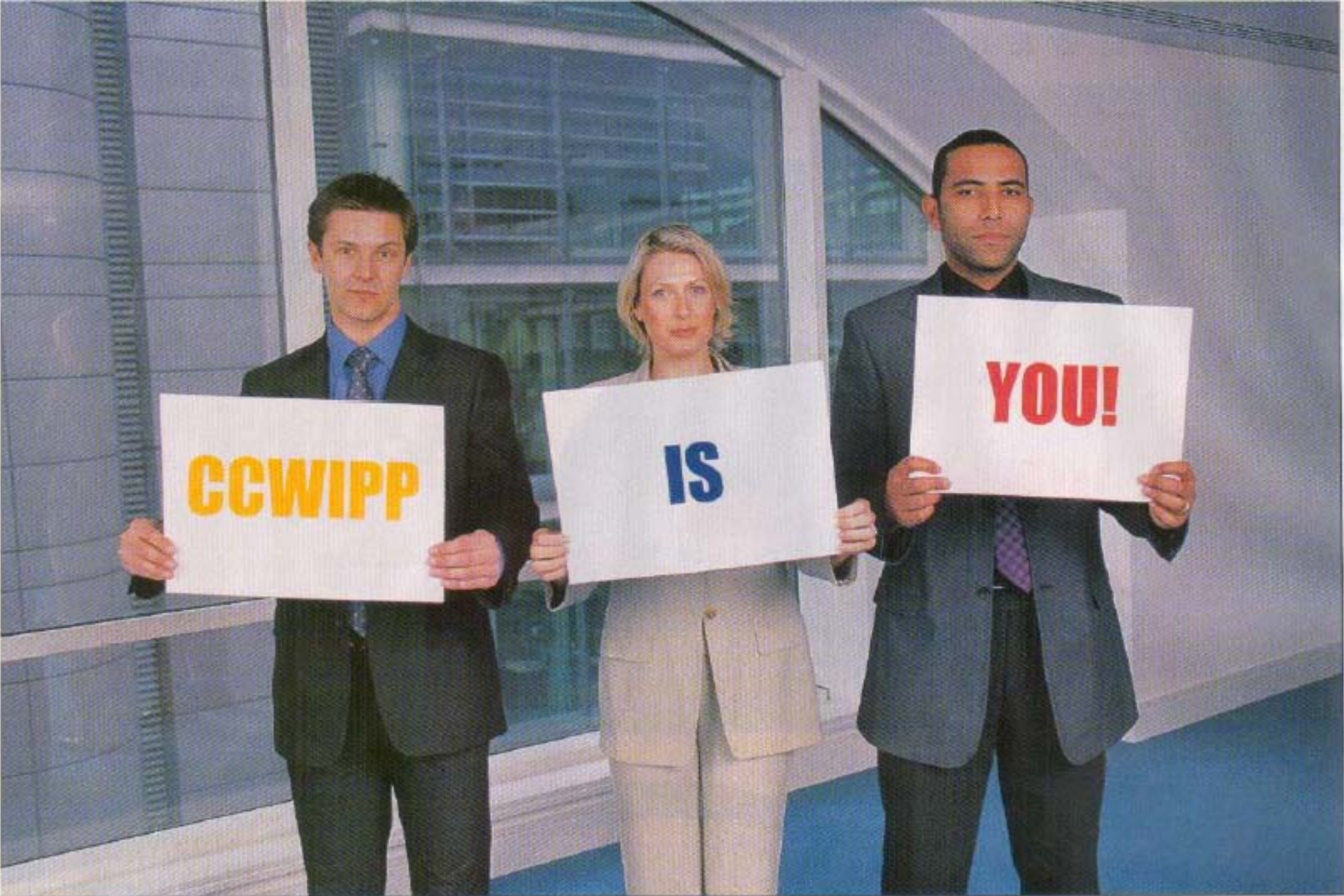
Our UNION

So, what on earth is a ... **... CCWIPP?**



The story behind your Pension Plan ... inside





CCWIPP Facts & Figures

CCWIPP – the Canadian Commercial Workers Pension Plan – is one of the largest independent worker pension plans in Canada.

- CCWIPP contributions are negotiated in your collective agreement, and are paid entirely by your employer.
- CCWIPP is an independently- and jointly-trusteed plan, with equal representation from contributing employers as well as the union.
- Starting just more than 25 years ago, CCWIPP today has assets of more than 1.2-billion dollars.
- CCWIPP was established in 1979 to protect our members from employer-controlled pension plans raiding their surplus assets.
- CCWIPP is a unique defined-benefit/contribution plan, meaning members receive a regular monthly income established by trustees and based on a formula

involving the employer contribution level negotiated in their collective agreement combined with years of service.

- More than 167,000 Canadian workers are active members of CCWIPP, with another 108,000 members in the deferred and vested but currently inactive categories.
- CCWIPP assets are invested in a balanced variety of diversified growth opportunities, managed by independent investment and actuarial professionals (for portfolio details, see page 8).
- CCWIPP is governed pursuant to the regulatory bodies of all 10 provinces in which it is active.
- CCWIPP investments belong to you, and cannot be touched by employers or by the union.
- All CCWIPP investments growth is used to improve benefits available to UFCW Canada members.

OUR UNION

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UFCW Canada

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Protecting your future

The stylized beaver logo of the Canadian Commercial Workers Industry Pension Plan (as seen on our cover) is symbolic of the plan: it's Canadian, it's independent, and most of all, it's hard at work to secure your future.

CCWIPP was founded on the vision of UFCW Canada's first national director, Clifford Evans. He foresaw the need for an independent pension plan that employers couldn't misuse as a source of corporate funds that, instead, should be used to enhance member benefits.

The founding of CCWIPP was a direct result of actions like those of the now-disgraced capitalist Conrad Black, who made off with a pension "surplus" when he controlled the Dominion store chain. In fact, because CCWIPP had then recently been established as the registered pension plan at Dominion stores that employed UFCW Canada members, theirs was the only pension plan untouched by Black's manipulations.

That's one of the great things about CCWIPP – if assets grow beyond expectations, the "surplus" is rolled back into member benefits. As the plan continues to grow (currently at well over \$1.2-billion), your pension will grow with it.

On top of that, members are not required to contribute any of *their* hard-earned money into CCWIPP. Contributions are made by your employer, on your behalf, based on the per-hour contribution rate your union negotiating committee is able to achieve at the bargaining table.

The simplicity of CCWIPP's design is key to its success. Participating employers each pay into the plan a negotiated cents-per-hour rate for each employee covered by the plan – which, unlike most pension plans, applies to part-time workers, too. The cents-per-hour contribution enables CCWIPP to provide members with a fixed monthly benefit based on the contribution rate and years of service. You, the member, pay nothing.

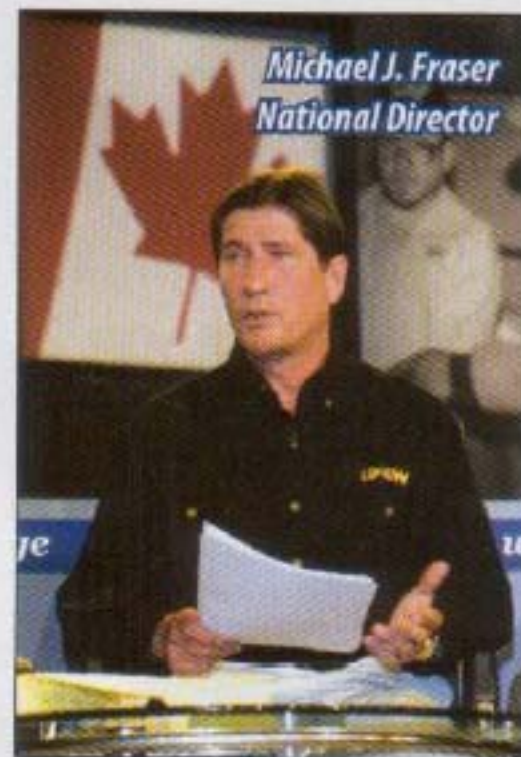
Although not all UFCW Canada members are active in CCWIPP, most are – more than 167,000 active, and 108,000 deferred and

vested members. Those UFCW Canada members not participating in CCWIPP generally have alternate pension plan arrangements that pre-date the establishment of CCWIPP. Check with your local union office or refer to your collective agreement if you're not sure if CCWIPP's benefits apply to you.

Recent reports have suggested that numerous pension plans are having "solvency" shortfalls. While this may be true for some pension plans, that is simply not the case with CCWIPP. If you take a look at the audited *Abbreviated Financial Statement* on page eight of this publication, you will see that employer contributions last year were substantially higher than the amount of money required to pay retiree benefits. And this has been the case year-in and year-out. Even as investment returns have decreased in recent years for virtually *all* investment plans globally, I can assure you as a trustee of the plan that the CCWIPP assets continue to grow, and will continue to grow because of the solid membership base, the ongoing contributions of participating employers, and the diverse investment portfolio.

In fact, pension plan regulators the Financial Services Commission of Ontario (FSCO), in conjunction with the Alberta and Québec regulators and the Canada Revenue Agency (CRA), have recently completed an exhaustive two-and-a-half year examination of the plan, reviewing virtually all of its investments made since inception. Conducted as a result of malicious, unsubstantiated allegations made by unnamed complainants, the examination involved CCWIPP's Board of Trustees working with FSCO in compiling and providing over 100,000 pages of documentation relating to the plan's investments. The FSCO report concluded that while some minor administrative procedures may require updating, absolutely no instances exist (or ever have existed) to cause concern to any UFCW Canada members with regard to the ongoing viability of CCWIPP.

I am proud to sit as one of the trustees of your pension plan, along with four other union representatives and five employer nominees. Together, we work to ensure the pension plan achieves the highest return on investment and delivers the greatest benefits for its members' futures. CCWIPP is *your* pension plan, and one that will provide you with economic security in your retirement – security which you, as a member of UFCW Canada, so justly deserve.



THE CANADIAN COMMERCIAL WORKERS

An historic first for Canada

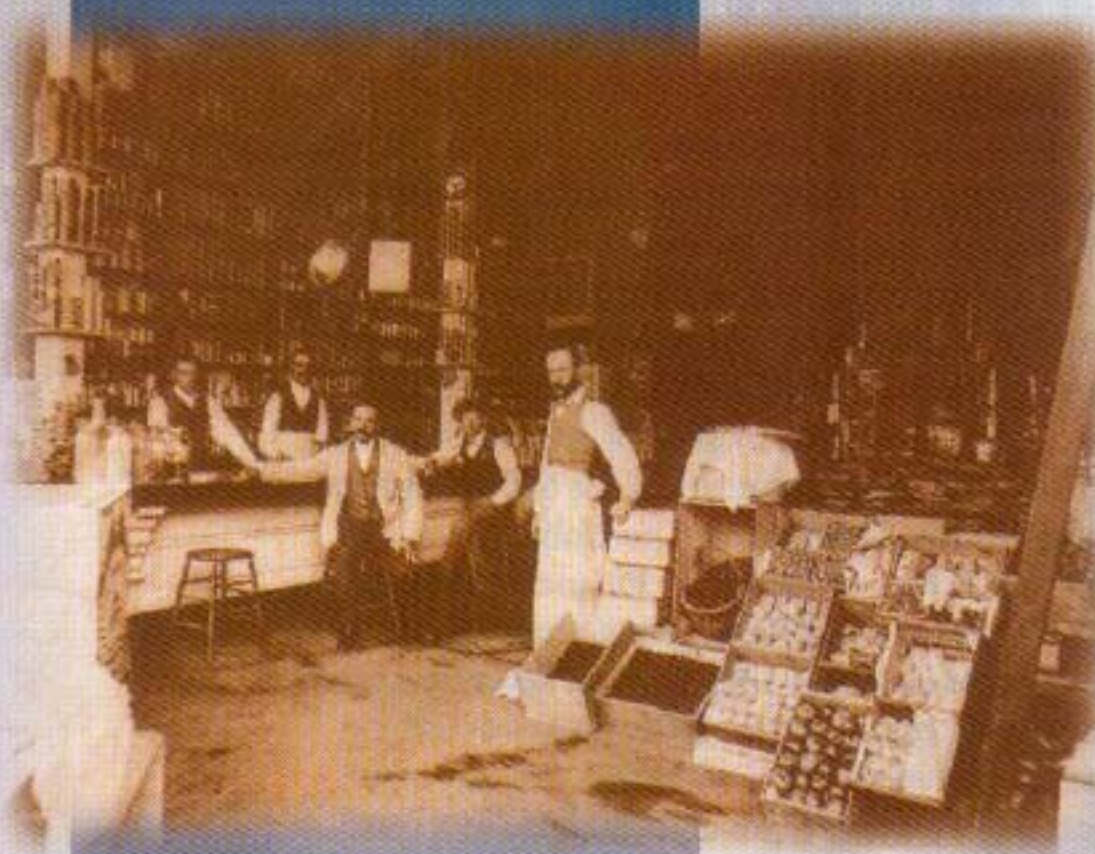
Negotiated employer contributions, together with a defined benefit plan, creates a better future.

Union membership began for Canadian retail and food workers more than 100 years ago in the late 1800s. The photo below, from the British Columbia archives [BCARS 03912], shows early unionized grocery store workers at the Fells Co. Grocers in Victoria, circa 1903. While organizing as retail clerks then brought them undisputed benefits, it would have been difficult for them to imagine the pension plan their successors would bring into being nearly a century later – the Canadian Commercial Workers Industry Pension Plan, or CCWIPP (most UFCW Canada Local 1518 members in British Columbia are represented separately by a similar pension plan).

“CCWIPP is a unique approach to bringing pension security for both full- and part-time workers, who never have to contribute to the plan themselves,” says UFCW Canada national director Michael Fraser, who is one of the five union trustees on CCWIPP’s joint union-employer board of trustees.

“First, contributions come from the employers, not from the workers. Second, the plan is controlled independently, with representation from both the union and the contributing employers – but the sole beneficiaries are the members who belong to the plan. Employers cannot touch any surplus, which is not the case with what is happening at companies such as Air Canada and Stelco right now. With CCWIPP, the money belongs to the members.

“Finally, CCWIPP provides a defined-benefit payout to participants, meaning that they can plan ahead with the knowledge that the amount of the



1973

Strike in Winnipeg against Dominion Stores over pension plan issues.

1975

Manitoba-Northwest Ontario Pension Plan established with participation of Canada Safeway and Shop-Easy stores.

1979

Alberta Retail Clerks Industry Pension Plan established; Clerks and Meat Cutters merge to create UFCW Canada; pension plans merge to create CCWIPP.

1980

Investment Committee, comprising four of the then-eight pension plan Trustees (half union, half employer) is established.

19

Major food stores reached covered by CCWIPP Board expanded membership.

WORKERS INDUSTRY PENSION PLAN

Canadian workers



employer contribution negotiated by their union leads to a specific monthly benefit based on years of service," Fraser adds. "And it works for part-time workers as well as full-time, which is virtually unparalleled."

CCWIPP was created due to the foresight of UFCW Canada's original national director, Cliff

Evans (pictured), who recognized the need for such a plan after employer-controlled pension surpluses were being plundered for corporate profits.

"CCWIPP is something that so many UFCW Canada members have come to rely upon," says Bernard Christophe, chair of the pension plan's board of trustees. "For every hour they work, their employer contributes money to the plan. That money grows, and is waiting there for them as a pension when they choose to retire."

For more than 167,000 active members across Canada, and another 108,000 deferred and vested members, CCWIPP is the answer. Planning ahead? Make CCWIPP part of your plans.

If you need more information about CCWIPP or have questions about your pension, check www.ccwipp.ca or contact the pension plan administrator office for your province:

British Columbia

109-2331 Marpole Avenue, Port Coquitlam BC V3C 2A1
604.945.7607 or 1.800.553.7977
fax 604.945.7657

Alberta

101-2635 37th Avenue NE, Calgary AB T1Y 5Z6
403.250.3534 or 1.888.811.7227
fax 403.250.9236

Saskatchewan, Manitoba

3rd floor, 880 Portage Avenue, Winnipeg MB R3G 0P1
204.982.6082 or 1.800.665.1223
fax 204.982.6080

Ontario, Nova Scotia

110-61 International Boulevard, Toronto ON M9W 6K4
416.674.8581 or 1.800.387.3181
fax 416.674.0992

Québec

202-1405 boulevard Henri-Bourassa Ouest
Montréal QC H3M 3B2
514.335.1585 or 1.800.363.0580
fax 514.856.1773

New Brunswick, Prince Edward Island, Newfoundland & Labrador

5th floor, 20 Crosbie Place, St. John's NL A1B 3Y8
709.754.6633 or 1.800.563.1930
fax 709.754.6733

82

re agreement
ring Canada
Union Stores,
d Steinberg,
d of Trustees
from eight
rs to 10.

1984

Additional CCWIPP
Trustee sub-committees
created: Administration;
Employer Information;
Pre-retirement;
Self-administration.

1987

CCWIPP becomes
self-administered with
offices located in the
UFCW Canada national
office building in
Rexdale, Ont.

1980s-90s

To better serve members,
pension administration
offices are opened in
British Columbia, Alberta,
Manitoba, Québec, and
Newfoundland and Labra-
dor, and CCWIPP goes online
at www.ccwipp.ca.

2005

CCWIPP grows to more than
167,000 active members
plus 108,000 deferred or
vested members with
assets totalling more than
\$1.2-billion.

What CCWIPP means to us ...

"Knowing I will have the security of a pension plan in addition to any savings"



What does CCWIPP mean to me? It's an insurance in my future. CCWIPP means I have a guaranteed income when I retire that is independent of any corporate manipulations.

The Canadian Commercial Workers Industry Pension Plan is the first national pension program that genuinely addresses the needs of workers and union members like me. It's the pension I never thought I would have.

• **Carmen, Orillia, Ontario**

As a part-time worker, it is rare that you can find a pension plan for your needs. CCWIPP is there not just for full-time workers, but also for part-timers who are too often cast aside when it comes to major benefits.

• **Amy, Burnaby, British Columbia**



CWIPP has a unique approach to winning financial freedom for retired people who have worked in industries like retail, service, and food-prep who just aren't otherwise protected by traditional standards. CCWIPP means an assurance of a better future.

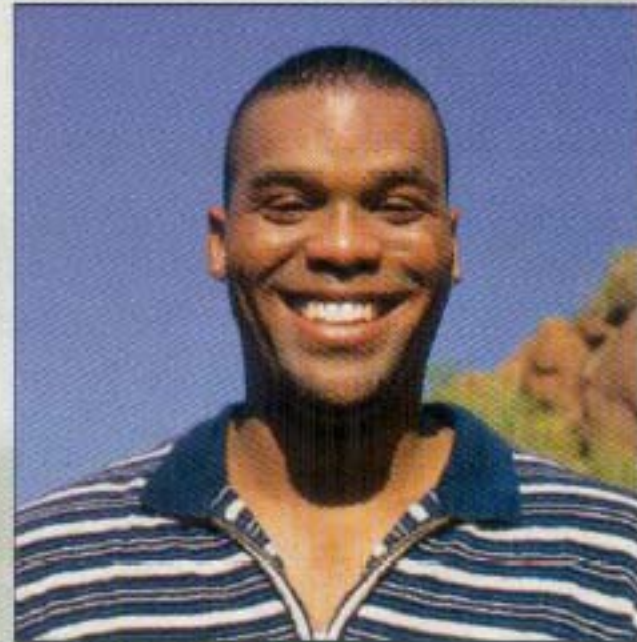
• **Kim, Edmonton, Alberta**

A strong pension we can count on

and old-age pension means a lot to me. It means security in my retirement."

In my old job, I didn't have a voice in my pension plan. It was controlled by the boss, and he could legally dip into it if there was any surplus. That just wasn't right. With CCWIPP, now I have a plan that makes sense. When there is a surplus, it benefits the workers, not the boss.

• *Maurice, Trois-Rivières, Québec*



Knowing I will have the security of a pension plan – in addition to any savings that I manage to put aside and old-age pension from the government – means a lot to me. It means security in my retirement.

• *Parma, Winnipeg, Manitoba*

Having a pension plan means a future I can count on. Working now pays the bills, but what about tomorrow when I'm not working any more?

The CCWIPP pension plan means that, in retirement, I will have a secured, regular income from the pension plan, based on the time I spent on the job – full-time, part-time, no matter what. It's an insurance plan for workers that always pays off!

• *Solange, Moncton, New Brunswick*



Canadian Commercial Workers Industry Pension Plan

Abbreviated Financial Statement
January 1, 2004 to December 31, 2004



<i>Summary of Operations</i>		<i>At Market (\$)</i>	
Net Assets as at January 1, 2004		1,204,490,336	
<i>Add:</i>	Contributions	108,266,408	
	Investment Income	60,904,485	
	Change in Market Value of Assets During the Year	8,388,915	
	TOTAL ADDITIONS	177,559,808	
<i>Deduct:</i>	Benefit Payments	87,158,952	
	Expenses	9,198,292	
	TOTAL DEDUCTIONS	96,357,244	
	Net Amount Available for Investment	81,202,564	
	Plan Transfers	0	
	Net Assets as at December 31, 2004	1,285,692,900	
<i>Allocation of Invested Assets as at December 31, 2004</i>			
		\$	%
	Cash	11,033,095	0.86
	Short Term Notes	80,534,648	6.26
	Bonds & Debentures	442,871,405	34.45
	Index-linked Mortgages	15,292,211	1.19
	Common Stocks	448,294,136	34.87
	Equity, Loans and Mortgages	224,795,930	17.48
	Real Estate	56,028,294	4.36
	Accrued Investment Income	3,883,305	0.30
	Receivables	11,366,381	0.88
	SUB TOTAL	1,294,099,405	100.65
	Less Accounts Payable	(8,406,505)	(0.65)
	TOTAL	1,285,692,900	100.00