



December 2014

On November 3, 2014, the Court of Queen's Bench approved the agreement between MTS and its unions and retiree representatives in respect of the implementation of the lawsuit regarding the administration of the Manitoba Telecom Services Inc. and Participating Subsidiaries Employee Pension Plan (the "DB Plan"). The appeal period following the court decision has expired, and we are pleased to announce that payments will commence this month!

On December 24, 2014, employees in the DB Plan will receive the first of two distributions. This first distribution will be approximately one half (1/2) of the lump sum cash payment shown on your *Statement and Election of Estimated Benefits*.

An important note for those who made the RRSP election: If you elected to have a portion or all of the surplus entitlement shown on your *Statement and Election of Estimated Benefits* transferred to the Group RRSP or to your personal RRSP, and all the required information was received from you by November 28th, the entire amount of your RRSP transfer will be made as soon as possible during the few weeks following December 24, 2014 (i.e., the RRSP transfer will not occur in two parts). If all the required information was not received before November 28th, then your RRSP transfer will not occur immediately but will take place in 2015 provided we receive your required information before the end of January.

The payment you are receiving on December 24, 2014 will be included on your T4 for 2014. No tax will be withheld on amounts transferred to the Group RRSP or to your personal RRSP. However, CPP and EI deductions will be taken to the extent you have not already contributed the maximum deductions. All surplus distribution entitlement payments will be made through our regular payroll process and reported separately on your remuneration statement.

You will receive a second, and final, payment in 2015 for the balance of your entitlement, once final calculations have been completed. This payment will be included on your 2015 T4. We will send a communication in advance of this payment being made.

At this time, it is anticipated that your entitlement will be equal to, or very slightly higher, than the amount estimated in your *Statement and Election of Estimated Benefits*. In the event that your entitlement is higher than the amount shown in your *Statement and Election of Estimated Benefits*, the difference will be paid to you in cash as part of the second, and final, payment. This includes those who elected an RRSP transfer for the total amount shown in your *Statement and Election of Estimated Benefits*.

Please visit our Plan website at www.mtspensionplan.ca for up-to-date information on the surplus distribution.

If you have any questions regarding your surplus distribution entitlement, please call **1-844-380-2474** or email us at pensionsettlementquestions@mtsallstream.com.