



Sheet Metal Workers Local Union 30 Benefit Trust Funds



annual report 2014

TO PLAN MEMBERS AND CONTRIBUTING EMPLOYERS

FOREWORD

The Trustees of the Sheet Metal Workers Local Union 30, Benefit Trust Funds are pleased to present the 2014 Annual Report.

The Annual Meeting is being held on Saturday May 2, 2015. The Meeting is being held at the Radisson Toronto East, 55 Hallcrown Place, Toronto, Ontario. The Trustees will provide an update on the Pension Plan and Health and Welfare Plan's benefits. This year the Trustees have invited Mr. Craig Russett, Manager, Client Support Services, Strategic Partner Solutions to give a presentation. In his presentation, Mr. Russett will share the latest results of a health care study with some interesting and relevant information on health tips and will also demonstrate the many tools and information available online for your all in one benefit card. Plan administration staff will be available to help you register for Internet access to your benefit information. If you haven't registered for Internet access and will be attending the Annual Meeting, please call the Benefit Administration Office at 905-946-9700 extension 221; your Plan Web Site registration will be available for you at the Annual Meeting.

The Annual Meeting starts at 10:00 a.m. You are encouraged to bring your spouse to the Annual Meeting.

The financial information in this Annual Report is taken from the unaudited Financial Statements of each Trust Fund. The audits of the 2014 financial statements start in February and are completed by the end of June. The Audited Financial Statements are filed with The Ministry of Labour, Ontario, in accordance with legislation. The Pension Trust Fund's Audited Financial Statements are also filed with the Financial Services Commission of Ontario.

The Annual Report does not replace your benefit booklets or Plan documents. Detailed information about the Plans can be found in the Trust Agreements, the Pension Plan Text, Member information booklets and the contracts of insurance for the Welfare Plan. The Plans' web site www.lu30plan.com holds an abundance of information about the Plans including claim forms, applications for benefits and newsletters. The Trustees offer Members access to their personal Pension and Welfare Plan information 24/7 via the Plans' Web Site.

The Plans also have a Facebook page at www.facebook.com/smwialocal30benefits.

Your comments and suggestions are always welcome. Please address correspondence to:

Mr. B. St. Clair
Recording Secretary
Sheet Metal Workers Local Union 30, Benefit Trust Funds
45 McIntosh Drive
Markham, Ontario L3R 8C7
Fax: 905-946-2535
Email: bstclair@mcateer.ca

Yours sincerely,

The Board of Trustees,
SHEET METAL WORKERS LOCAL UNION 30, BENEFIT TRUST FUNDS

A. E. White - Chair
T. Kerr
B. LaFave

B. Wilkinson - Co-Chair
P. Witruk
M. Roberts

THE PENSION TRUST FUND

The Pension Plan is registered under the Pension Benefits Act, Ontario, and under the Income Tax Act, Canada. The Registration Number is 0345850. The Plan meets the requirements of these Acts, and will be amended in the future as may be required to remain compliant with applicable legislation. Based on the draft unaudited (not final) Financial Statements of the Fund, the following reflects the Fund's financial position as at December 31, 2014.

During 2014, the Pension Trust Fund:

Received:

Contributions	\$18,566,030
Interest and Dividends	7,138,507
Net Realized Gains	18,730,493
Net Realized Capital Loss	0
Net Unrealized Capital Gains	10,716,613
GST Rebate and other	<u>148,323</u>
	<u>\$55,299,966</u>

Disbursed on account of Benefits and Expenses:

Benefits	\$20,268,828
Benefit Holdbacks	1,286,257
Consulting, Actuarial	424,800
Administration	128,170
Audit	18,080
Legal Fees after recoveries	7,608
Investment Management/Advisory	2,406,239
Custodial	89,986
Trustees and Membership Meetings	19,222
Trustees Education	18,511
Printing and Stationery	35,744
Telephone, Postage and Courier	6,784
Government Fees	28,046
Trustees and Trust Fund Insurance	10,764
Miscellaneous	<u>4,021</u>
	<u>\$24,753,060</u>

Net Income for the Year \$30,546,906

Net Assets at the beginning of the Year \$375,353,949

Gain for the Year \$30,546,906

Net Assets at the end of the Year \$405,900,855

At December 31, 2014 the Net Assets of the Pension Trust Fund were represented by:

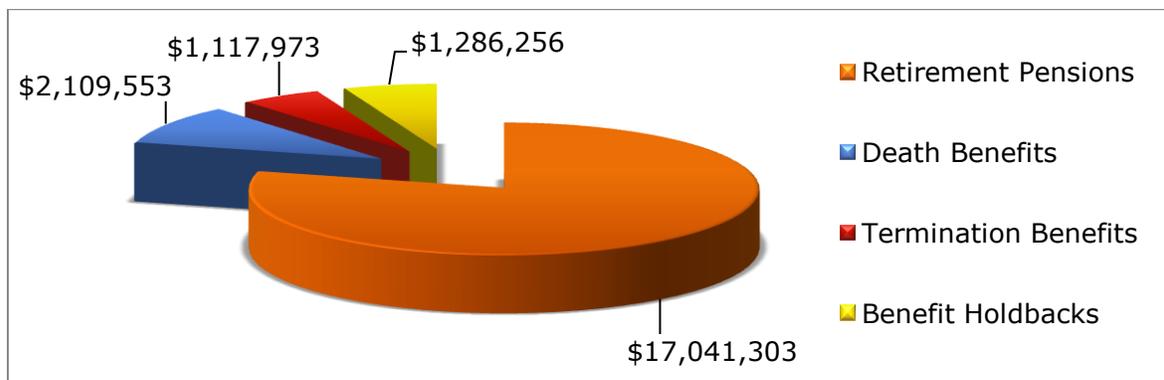
Cash (on hand or in transit, less accounts payable)	\$1,532,721
Interest and Dividends earned, but not received by December 31 st	32,212
Short-Term Notes, Bonds	126,778,577
Equities	252,856,728
Alternatives	<u>24,700,617</u>
	<u>\$405,900,855</u>

Short-Term Notes, Bonds, Equities and Alternatives are reported at Market Value - that is, the closing price of these securities on the last trading day in 2014.

PENSION PLAN MEMBERSHIP AND BENEFITS PAID

As at December 31, 2014, 1,482 persons were in receipt of a monthly Pension, and the total monthly Pension pay-out was \$1,434,463.76. There was an increase of 15 persons in receipt of a monthly Pension and a year over year increase of \$65,118.22 in the total monthly Pension pay-out when compared to December, 2013.

During 2014, the Pension Trust Fund paid \$21,555,085 in benefits to Plan Members and their Beneficiaries. Details about benefits paid are shown in the graph below.



PENSION PLAN FUNDING

Our Pension Plan is a Specified Ontario Multi-Employer Pension Plan. The Pension Plan's special status as a Specified Ontario Multi-Employer Pension Plan means that the Plan has received temporary approval from the pension regulator to not allocate contributions toward paying down the Plan's Solvency Deficiency. Pension legislation in Ontario excludes all multi-employer pension plans from any protection provided by the Pension Benefits Guarantee Fund. This means that, in the event the Pension Plan does not have sufficient assets to provide for benefits, benefits may be reduced so that the Plan remains compliant with applicable legislation. The Trustees cannot and do not guarantee benefits.

In compliance with the *Pension Benefits Act*, Ontario an Actuarial Valuation of the Pension Plan is completed at least every three years and filed with the pension regulator. The purpose of an actuarial valuation is to compare the assets (mainly investments) of the plan with its liabilities (the value of pensions earned by members whether they are retired, active or terminated) at the date of the valuation. The valuation will show whether the plan's liabilities are fully funded (meaning whether there are enough assets at the valuation date to pay all of the

liabilities calculated at the valuation date) and whether the current contributions to the plan are sufficient to fund the pensions that the members earn after the valuation date.

The *Pension Benefits Act*, Ontario requires all defined benefit pension plans to complete the Valuations on two bases, namely:

- **“GOING CONCERN”** which assumes that the pension plan will continue to receive contributions into the future, the pension benefits earned by active members at the valuation date will increase on account of those contributions, and the retired members will continue to receive their monthly pensions from the plan. In this type of valuation, the actuary calculates the liability at the valuation date of all pension benefits earned to that date, as well as the liability for pensions being paid now to retired members. The actuary uses actuarial assumptions that conform to the Canadian Institute of Actuaries’ generally accepted actuarial principles.
- **“SOLVENCY”** which assumes that the pension plan was wound up, or terminated, on the date of the solvency valuation. The objective of a solvency valuation is to determine whether the pension plan had sufficient assets on the valuation date to pay the pensions being paid to retired members and pension benefits earned by active or terminated members if those benefits had to be purchased from an insurance company using current annuity rates prescribed under legislation.
- When completing a solvency valuation the actuary must use actuarial assumptions prescribed in the Regulations to the Ontario *Pension Benefits Act*.

The Trustees, along with the trustees of other multi-employer pension plans, protested the requirement for Solvency Valuations on the basis that they are not meaningful when contributions are paid by a variety of unrelated employers. Several special commissions on pensions, including Ontario’s Expert Commission on Pensions, endorsed that multi-employer pension plans should not be subject to Solvency Valuations and should not be required to allocate contributions toward funding a solvency deficiency. To date, pension law has not changed except to allow a temporary solvency deficiency funding relief for pension plans like ours.

The Valuation as at September 30, 2013 was filed with FSCO in June 2014. The next Actuarial Valuation was completed as at August 31, 2014. The preliminary results were presented to the Trustees in February 2015 and will be finalized in May 2015. The report will be filed with the Financial Services Commission of Ontario before the end of May 2015. The Actuarial Valuation will be made available to Plan Members.

The preliminary results of the August 31, 2014 Valuation had the following highlights:

	<u>Going Concern</u> (in \$1,000's)	<u>Solvency</u> (in \$1,000's)
Smoothed Actuarial Assets	\$375,796	\$399,906
Actuarial Liabilities	<u>419,957 to 437,819*</u>	<u>649,043</u>
Actuarial Surplus (Deficiency)	<u>\$(44,161) to (62,023)*</u>	<u>\$(249,137)</u>

**The results are shown as a range as certain assumptions such as the investment return rate are undetermined at this time.*

The actuarial value of assets at August 31, 2014 was \$399,243,000.

- The Normal Actuarial Cost of Pensions being earned by the Active Membership was less than the Average Hourly Contribution.
- The estimated cost of benefits, plus the provision for administrative and investment related expenses, is between 93.1% and 99.0% of estimated Contributions, depending on the interest rate assumption used. This was an increase from 85.6% at the previous Valuation as at September 30, 2013 and an increase from 88.3% at the Valuation as at September 30, 2010.
- Actuarial liabilities in the Solvency Valuation were \$211,224,000 to \$229,086,000 greater than the Actuarial liabilities of the Going Concern Valuation. This difference arises mainly because:
 - The Actuarial Investment Return Assumption in the Going Concern Valuation is still to be determined but will be in the range from 6.5% to 6.8% compounded annually, net of expenses incurred to earn that Return (investment management and custodial fees). The Valuations at September 30, 2010 and September 30, 2013 used 6.5% and 6.8% respectively.

Interest rates in Canada were almost about the lowest seen in the last 40 years. A decrease in interest rates result in higher Actuarial Liabilities. Higher Actuarial Liabilities result in a higher Solvency Deficiency.

Other Pension Statistics taken from the August 31, 2014 Actuarial Valuation are:

- There were 1,740 Active, 1,126 Inactive and Terminated Vested Members, as well as 39 Spouses of deceased Members entitled to a Pension when they reach Age 63, or an earlier reduced pension if they prefer.
- The average age of the Active Members was 43.9 years.

- There were 1,484 Retired Members (including Surviving Spouses) in the following age brackets:

<u>Age</u>	<u>Number of Members & Surviving Spouses</u>
Age < 35	2
Age 35 - 40	0
Age 40 - 45	4
Age 45 - 50	1
Age 50 - 55	8
Age 55 - 60	34
Age 60 - 65	130
Age 65 and over	1,305

- The Plan's Going Concern funded position (between 85.8% and 89.5%) was lower at August 31, 2014 than at the September 30, 2013 Valuation (93.6%) and (99.7%) as at the September 30, 2010 Valuation. This was mainly because of the change in Mortality Table (showing improved life expectancy of Plan Members) and possible change in the investment rate of return.

The Plan's average investment rate of return over the period October 1, 2010 to September 30, 2013 was 5.93%. The rate of return from September 30, 2013 to August 31, 2014 was 13.3%.

The September 30, 2013 Valuation was approved at the Board Meeting held May 13, 2014 and filed with the Financial Services Commission of Ontario. The Plan had a Solvency Deficiency at September 30, 2013 and so the Trustees applied to continue to be covered under the temporary solvency relief provided under the Ontario *Pension Benefits Act*. The Plan continues to be designated as a Specified Ontario Multi-Employer Pension Plan (SOMEPP). A SOMEPP is not required to use contributions to pay down its solvency deficiency.

AMENDMENTS TO THE PENSION PLAN 2010-2014

The Pension Plan's Amendments have been influenced by the Plan's Solvency Valuation results since 2005.

As mentioned earlier in this Report, the Trustees made application to the Financial Services Commission of Ontario (FSCO) to be classified as a Specified Ontario Multi-Employer Pension Plan in which case no Contributions need to be used to pay the Plan's Solvency Deficiency. Allocating contributions to pay-down the

Pension Plan's Solvency Deficiency would most certainly reduce the benefits available to Plan Members.

On April 29, 2008, FSCO acknowledged that the Pension Plan is a Specified Ontario Multi-Employer Pension Plan (SOMEPP). SOMEPP status was renewed with the filing of the September 30, 2013 Valuation. The Trustees will continue to be acknowledged as a SOMEPP when the August 2014 Valuation is filed.

In 2012 the Ontario government allowed plans like ours to reconsider how they funded for early retirement pensions if they included a subsidy or any "grow-in" right which provided a benefit when a member had achieved a certain age and service. The Trustees decided not to pre-fund liabilities for any subsidized early retirement benefit. This is called "opting-out of grow-in rights".

In July 2012 the Ontario government required that all Ontario pension plans provide for immediate vesting. The Pension Plan was amended to provide immediate vesting for all Members who were not terminated at June 2012.

Effective September 9, 2014, the Plan was amended in respect of the benefit payable to a terminated Member who elects to transfer his entitlement from the Plan. If a terminated Member elects to transfer his pension entitlement from the Plan, his accrued pension payable at his normal retirement age of 63 is adjusted by multiplying it by the Transfer Ratio. This will result in a lower amount being paid out. However if a terminated Member elects not to transfer his pension entitlement from the Plan his accrued pension payable at age 63 remains intact.

PENSION TRUST FUND INVESTMENTS

- Setting asset mix is one of the most important roles of the Trustees.
- The Trustees have adopted a Statement of Investment Policies and Procedures. The purpose of the Policy is to obtain the best possible investment returns with a prudent level of risk. The Policy is reviewed annually and amended as necessary.
- An Asset Liability Study, the fourth such study, was undertaken at the request of the Trustees during 2013. An Asset Liability Study determines whether the Plan could improve upon its funding level and diversify itself further to reduce its volatility (how it reacts to investment market activity) and to provide greater confidence that the Pension Plan's benefits, which are target benefits (ie they are not guaranteed) will be provided.
- The results of the latest Asset Liability Study recommended that the Pension Plan's target asset allocation be: 22.5% Canadian Equities, 40.0% Global Equities, 27.5% Fixed Income including mortgages and high yield bonds and 10.0% Alternative investments. The target asset mix was implemented during 2014.

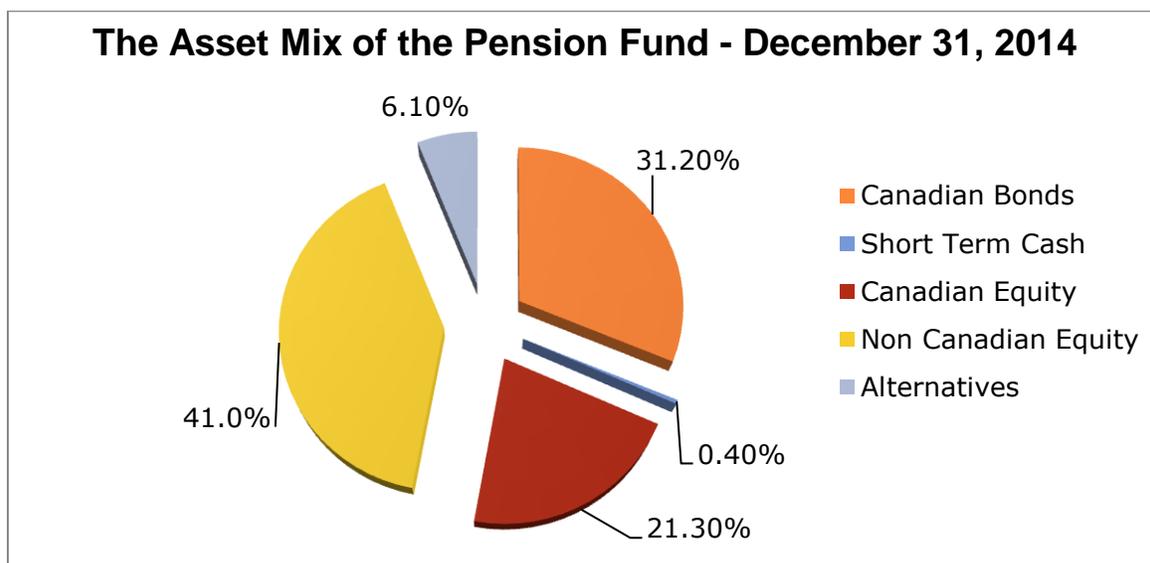
- The rate of return on the Plan's investments was 9.9% for 2014. The benchmark for the Pension Plan's return for 2014 was 11.4%. The benchmark is the return that could have been achieved using passive funds instead of active management. The use of active investment managers during 2014 detracted from the Fund's performance by 1.5%.
- During the four years ended December 31, 2014 the Pension Plan's rate of return was 7.4%. The benchmark for the Pension Plan's returns for this period was 8.0%. The use of active investment managers during the four-year period detracted from the Fund's performance by 0.6%.
- As noted above the Trustees, with the investment consultant, made changes to the Plan's asset mix and investment manager structure to improve on Fund investment performance.
- During the five years ended December 31, 2014 the Pension Plan's rate of return was 8.4%.
- During the ten years ended December 31, 2014 the Pension Plan's rate of return was 6.60%.
- The Trustees set a benchmark level of risk that represents the return volatility that the Trust Fund expects based on the investments made by the Plan. The Plan's risk factor is 5.1. At the end of 2014 the Plan's actual risk factor was 5.5. Most of the Plan's excess risk came from the global equity markets that were very volatile over the last four years, particularly in 2014.
- The Trustees monitor Plan returns, its risk factors and each investment manager on an ongoing basis.

The assets of the Pension Trust Fund are managed by eight professional investment managers retained by the Trustees. These investment managers are each allocated a part of the Fund, and are given mandates to invest in Canadian and non-Canadian Equities, Alternatives such as real estate, Bonds and Short Term Cash.

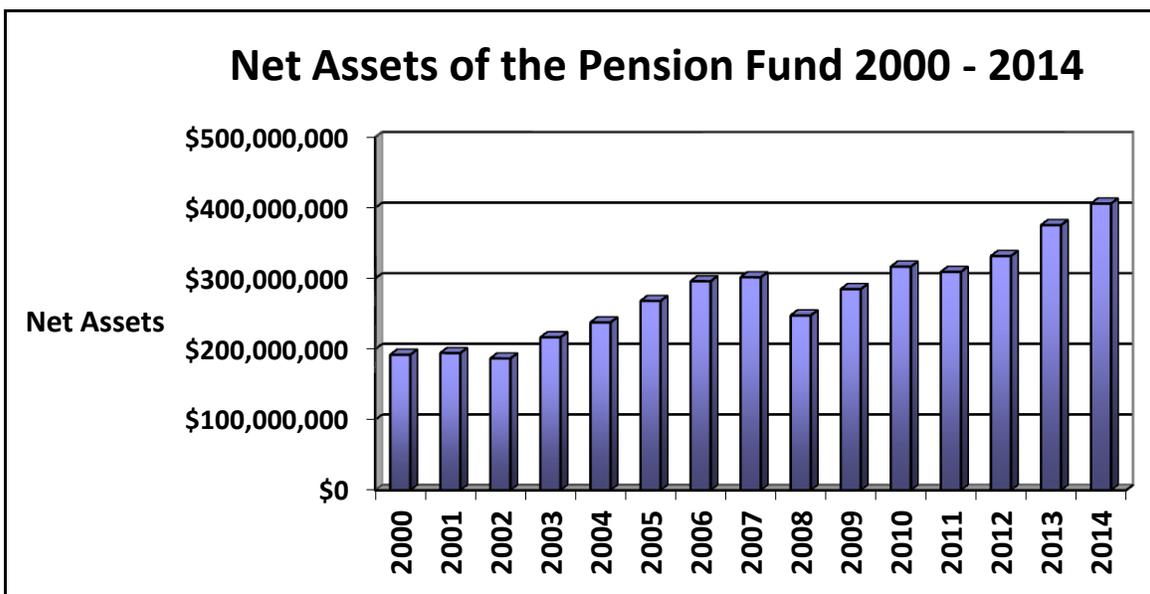
The Trustees retain Eckler Ltd. for the role of investment consultant. This role includes independent performance measurement services and other monitoring of the Fund's investment managers.

Four times each year, the Trustees conduct a dedicated Pension Trust Fund Investment Meeting. Investment managers are required to attend these Meetings to give reports on the performance of their respective portfolios and to provide an outlook on how their portfolios are structured to address the economic outlook.

The Fund's investments had a market value of \$405,900,855. At December 31, 2014 the asset mix of the Fund was:



The Graph below illustrates the growth in the Net Assets of the Pension Trust Fund over the last 15 years. Net Assets are the sum of the Fund's Short Term Cash, Equities, Alternatives and Bonds (stated at their December 31st market value), as well as all interest, dividend and contributions earned by the Fund but not yet received at December 31st. Net Assets subtracts any expenses that the Fund had incurred and not yet paid. The Actuarial Liabilities of the Pension Plan in respect of accrued Pensions and Pensions-in-pay are not included in Net Assets.



2000	\$191,897,412	2005	\$268,020,927	2010	\$316,141,323
2001	\$194,310,801	2006	\$295,850,850	2011	\$309,163,447
2002	\$186,607,555	2007	\$301,526,568	2012	\$331,632,424
2003	\$216,478,816	2008	\$247,560,151	2013	\$375,353,949
2004	\$237,715,716	2009	\$284,715,011	2014	\$405,900,855

LEGISLATION BEARING ON THE PENSION PLAN 2010-2014

PROVINCIAL LEGISLATION

The Ontario Pension Benefits Act

- On December 8, 2010 Bill 120 “*Securing Pension Benefits Now and for the Future Act, 2010*” received Royal Assent. This legislation, which amended the Ontario *Pension Benefits Act*, changes how Ontario multi employer pension plans fund pension benefits. Solvency funding, which requires that pension plans arrange benefits on the assumption that the plan is terminating, would be drastically changed under the proposed legislation. However, at this time regulations to the *Pension Benefits Act* have not been issued and so it is not possible to say the degree of relief a multi employer pension plan will receive under this new law.
- On June 22, 2011 the Ontario Government proclaimed an amendment to the *Pension Benefits Act* and the Ontario Family Law Act relating to the valuation and division of pension assets on marriage breakdown.

Some of the key changes in this legislation are:

- 1) Immediate payment of pension assets to the former spouse either as a lump sum or a division of monthly pension benefits is now permitted;
 - 2) The valuation of the pension assets will be done by the plan administrator. The marriage breakdown couple must apply directly to the plan administrator. Special forms were prepared by FSCO which must be used by the parties. Pension plans were permitted to charge a fee for each date a valuation is requested to reflect the additional cost to pension plans of this work.
 - 3) The Board of Trustees resolved that any Member of the Pension Plan who submits the prescribed forms to the Plan administrator will be charged a fee of \$600 per requested valuation date. The fee is payable to the Pension Plan.
- On July 20, 2012 a new Regulation came into force which provided an extension of the Specified Ontario Multi-Employer Pension Plan (SOMEPP) regulations to cover actuarial valuation reports with a valuation date prior to September 1, 2017.
 - Effective July 1, 2012, a number of amendments to the Ontario *Pension Benefits Act*, were proclaimed.

Some of the more significant reforms that are now in effect are:

- (i) Immediate Vesting of Benefits

All benefits earned by a pension plan member are immediately vested upon commencement of plan participation. An eligibility waiting period (generally, up to 2 years of qualifying employment) is permitted.

The Trustees amended the Pension Plan, effective July 1, 2012, to defer Plan membership until at least 700 hours of contributions have been paid into the Plan in each of two consecutive calendar years or such earlier time as is required under applicable legislation.

(ii) Small Benefit Commutation

The threshold for small amounts that can be “unlocked” was increased. Plans may now permit the lump sum payment of the commuted value of a benefit if, in the year of plan termination, the annual benefit payable at the member’s normal retirement date is not more than 4% of the Canada Pension Plan’s Yearly Maximum Pensionable Earnings (YMPE) or if the commuted value of the benefit is less than 20% of the YMPE.

(iii) A number of changes were made to disclosure provisions.

Eligible individuals (including members, former/retired members, their spouses and their agents) may access certain plan records, electronically or by mail. Eligible persons can ask for records once per year per specific record. Plans may charge a fee of 25¢/page for paper copies of records, and may charge a maximum fee of \$5 for each request for documents provided electronically.

Your Pension Plan will charge the maximum fee in order to offset some of the costs of printing and mailing.

- In October 2012 the decision of the Ontario Court of Appeal in Carrigan vs. Carrigan Estate cast confusion over the determination of spousal benefit entitlements in certain circumstances.

This case highlighted that plan members must ensure that their beneficiary designations are current and that they not assume that such designations change automatically due to a separation or divorce.

Plan Members are required to ensure their Plan documents reflect their wishes and the obligations they have under any relationship agreements. Members are **required** to file these documents with the Plan administrator when they are signed by both parties.

Ontario Harmonized Sales Tax (HST)

Effective with most goods and services purchased in Ontario on/after July 1, 2010, if the good attracted the Federal Goods and Services Tax (GST) the charge for the service will attract HST. This tax increases the non-benefit costs of the Fund by about 8% or \$256,000 per year.

New Disclosure Rules

Effective January 1, 2016 pension plans will be required to disclose policies with respect to Environmental, Social and Governance (ESG) issues. These policies will be included in investment policies and on annual statements issued to members.

Starting in July 2017 (ie for the 2016 fiscal plan year), bi-annual statements must be issued to retired and terminated members.

FEDERAL LEGISLATION

Canada Pension Plans Act

- 1) Changes were made to the Canada Pension Plan (CPP) so that reductions for taking an early pension (in advance of age 65) were increased to reflect the longer life expectancy of Canadians. A summary of the CPP reductions in effect from January 1, 2012 is:

Year	% (monthly reduction)
2012	0.52
2013	0.54
2014	0.56
2015	0.58
2016	0.60

- 2) CPP Retirement pensions will be higher if taken after age 65. The CPP pension will be increased by ½% for each month after 65 (up to age 70).

The increases were introduced as follows:

Year	% (monthly reduction)
2011	0.57
2012	0.64
2013	0.70

Starting in 2012, an employee could begin receiving his CPP pension without any work interruption. In addition if an employee under age 65 continues to work while receiving his CPP pension, the employee and the employer must continue to make contributions to CPP. The contributions will increase the employee's CPP benefit. If an employee is between age 65 and 70 and continues to work while receiving CPP benefits, he can choose to make CPP contributions. The contributions will increase his CPP benefit.

Old Age Security Legislation

On March 29, 2012 the Federal Minister of Finance announced a change to the age of eligibility for OAS (Old Age Security) and GIS (Guaranteed Income Supplement) benefits. The qualifying age will be gradually increased from 65 to 67. The change will be phased in, beginning in April 2023 and completed by January 2029. The change will not affect individuals who were 54 years of age or older on March 31, 2012. Individuals born between April 1, 1958 and January 1, 1962 will have an age of eligibility between 65 and 67, and those born after February 1, 1962 will be eligible at age 67.

Beginning July 1, 2013, eligible Canadians were allowed to voluntarily defer commencement of OAS benefits for up to 5 years and receive a higher, actuarially adjusted, OAS benefit.

Bill C-377 – An Act to Amend the Income Tax Act

This Bill, which died in the Senate in 2013, came back on the table in October 29, 2014. Bill C-377 proposes that *any* entity which provides benefits of any kind to union members be required to publicly disclose payments (including health and pension payments) over \$5,000. The information would be publically disclosed on a Canada Revenue Agency (CRA) web site.

Bill C-377 has been labelled as unconstitutional by the provinces of Nova Scotia, New Brunswick, Manitoba, Quebec and Ontario. The Canadian Bar Association has stated that the Bill directly targets associations (i.e. union affiliation) protected under the Canadian Charter of Rights and Freedoms. The federal privacy commissioner has also set out objections to the Bill.

OTHER DEVELOPMENTS AFFECTING OUR PENSION PLAN

Canadian Institute of Actuaries (CIA)

In 2014 the Canadian Institute of Actuaries (CIA) released its report on Canadian Pensioners' Mortality. The report showed some important conclusions: Canadians are living longer than earlier forecasted – the life expectancy of the average 65 year old has increased by 3.5 years. Retirement patterns have not changed significantly which indicates that pension plans should plan for longer years to be spent in retirement.

Some construction sector pension plans are adopting this table by including a factor for what is felt to be overly conservative life expectancy results which do not apply in the construction trades. Many actuarial firms have adopted the new mortality table, with adjustments to reflect shorter life expectancy in the construction building trades.

Implementation of the new mortality tables for the purpose of calculating commuted values and solvency funding is likely delayed until late-2015.

TRUSTEE INITIATED DEVELOPMENTS NOT RELATED TO LEGISLATION

Member Internet Access to Personal Plan Information

Effective January 1, 2011 Plan Members may now see their personal Pension and Welfare information by accessing the Plans' on-line access. This is located on the upper right hand corner of the Plan's Web Site at www.lu30plan.com. Members must register for this access and a registration form is included with the Annual Report.

Plan Facebook Page

The Trustees launched a Facebook page for Members to quickly obtain current information about the Plans. Members that "like" the page will automatically be sent Plan updates. You can find the page at

www.facebook.com/smwialocal30benefits.

Financial Planning Estimates

For financial planning purposes, the Plan allows Members to request one commuted value calculation in each five-year period. This initiative further encourages Plan Members to conduct frequent financial planning and to keep those plans up to date.

BRIEF SUMMARY OF THE PENSION PLAN

Depending upon the time during which you were a Plan Member, the amount of your target monthly Pension benefit is determined either by the number of hours you worked for an Employer making contributions to the Pension Trust Fund or by the amount of contributions paid to the Fund on your behalf. The amount of target benefit finally paid is subject to the funding status of the Pension Plan. The Trustees must keep the Plan compliant with applicable legislation at all times. No Pension benefits paid, or payable, by the Plan are ever guaranteed. Benefits can be increased, or decreased.

Information for Active Plan Members

Each year by June 30th, Active Members receive an Annual Pension Statement disclosing the amount of annual Pension they earned to the prior December 31st. A second statement is issued about September of each year, covering the first six calendar months of the year.

Normal Retirement Date is Age 63

Monthly Retirement Pensions are payable, in full, upon retirement at Age 63 and must start no later than the end of the calendar year in which you attain Age 71.

Early Retirement Available from Age 53

You do not have to wait until you are Age 63 to receive a monthly Pension. Pensions can begin as early as your Age 53. In order to account for the fact that you will receive a Pension for a longer period of time than if you delayed your retirement to age 63, the amount of your target monthly Pension will be reduced by one half of one percent for each month (6% per year) you receive a Pension in advance of your Age 63.

How Benefits are Calculated

All Members earn a target annual pension benefit expressed at the rate of 20% of contributions to the Pension Plan. This rate can increase or decrease, subject to applicable legislation bearing on the Pension Plan.

A summary of the prior rates of benefit in the Pension Plan are included in the "Sheet Metal Workers Local Union 30 – A History of the Sheet Metal Workers Pension Plan" which is located on the Plan's web site.

At December 31, 2014, hourly Pension contributions were:

Journeyman	\$8.42
3 Year Apprentice	\$4.54
4 Year Apprentice	\$5.32
5 Year Apprentice	\$6.09
Sheeter/Decker	\$8.42
Sheeter/Decker Assistant	\$7.30
Material Handler	\$6.17

Your Spouse's Pension Rights

If you have a Spouse upon your retirement and your Spouse does not waive her/his right to a Joint and Survivor Pension, and you die before your Spouse, 60% of the target amount paid to you will continue to your Spouse for her/his remaining lifetime. No benefit is guaranteed and can be increased, or decreased.

If you do not have a Spouse upon your retirement, or she/he waives the right to a Joint and Survivor Pension, a monthly Pension is payable as long as you live, with the proviso that if you die before having received the Pension for 10 Years, your Beneficiary will receive the balance until 120 payments of monthly Pension, in total, have been made. The amount of monthly Pension is not guaranteed and can be increased, or decreased.

All of the Plan's benefits including benefits in pay or payable upon the death of a Member are target benefits – they can be increased, or decreased, subject to applicable legislation.

WELFARE TRUST FUND

Based on the draft Unaudited (not final) Financial Statements of the Fund, the following reflects the Fund's financial position as at December 31, 2014.

During 2014, the Welfare Trust Fund:

Received:

Contributions	\$11,183,868
Interest Income	1,684,498
Miscellaneous	<u>1,672</u>
	<u>\$12,870,038</u>

Disbursed:

Insurance Premiums	\$5,620,245
Self Funded Benefits	1,608,538
FSEAP Premiums	35,001
Consulting Fees	92,321
Legal Fees Less Liquidated Damages	17,785
Audit Fees	20,340
Administration Fees	302,977
Investment Management Fees	105,272
Member Information Tools	9,041
Member Electronic Tools	45,976
Trustees and Membership Meetings	19,118
Trustees Education	11,804
Trustees and Trust Fund Insurance	10,764
Printing and Stationery	56,182
Telephone, Postage and Courier, etc.	21,472
	<u>\$7,976,836</u>

Excess of Receipts over Disbursements	\$4,893,202
Transfer to Dollar Bank and Other Reserves	<u>(507,364)</u>
Gain for the Year	<u>\$4,385,838</u>

Net Assets at the beginning of the Year	\$17,208,300
Gain for the Year	4,385,838
Net Assets, end of the Year	<u>\$21,594,138</u>

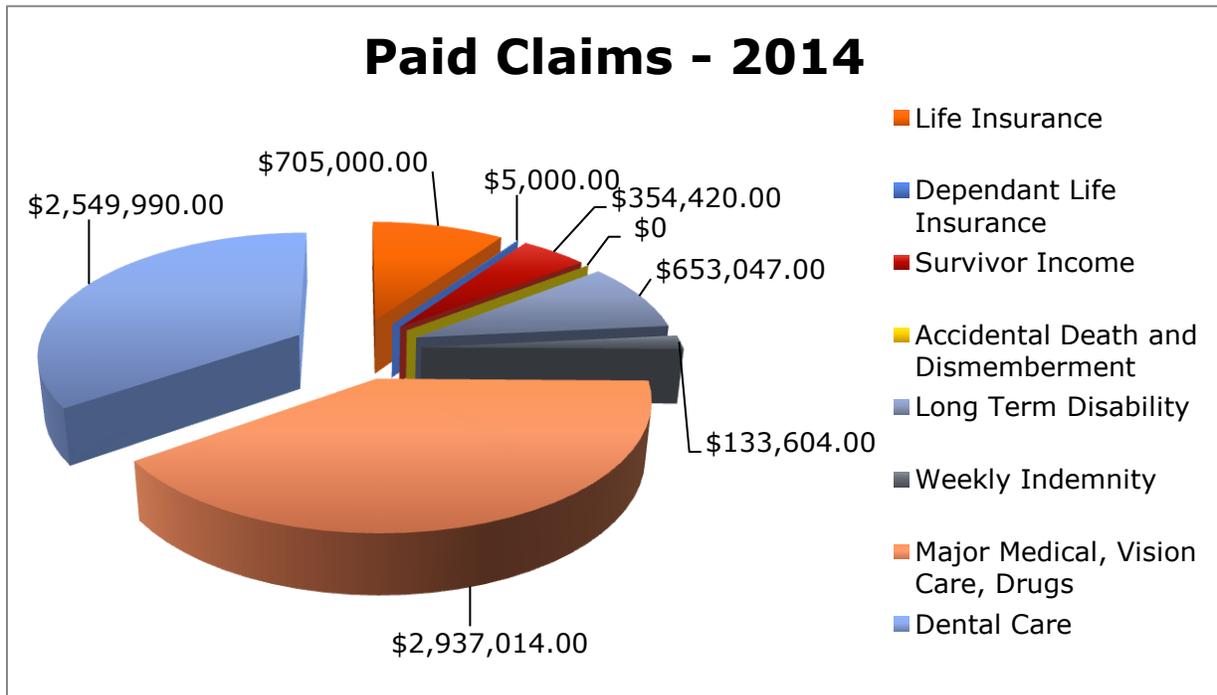
The Welfare Fund maintains several reserves to pre-fund for the cost of future benefits. At the end of 2014 these reserves were:

Reserves:

For Retired Member Benefits	\$6,383,692
For Benefits not Purchased	\$6,441,858
For Workers Safety and Insurance Board Benefits	\$413,218
For Extended Benefits	\$4,548,495

BENEFITS PAID DURING 2014

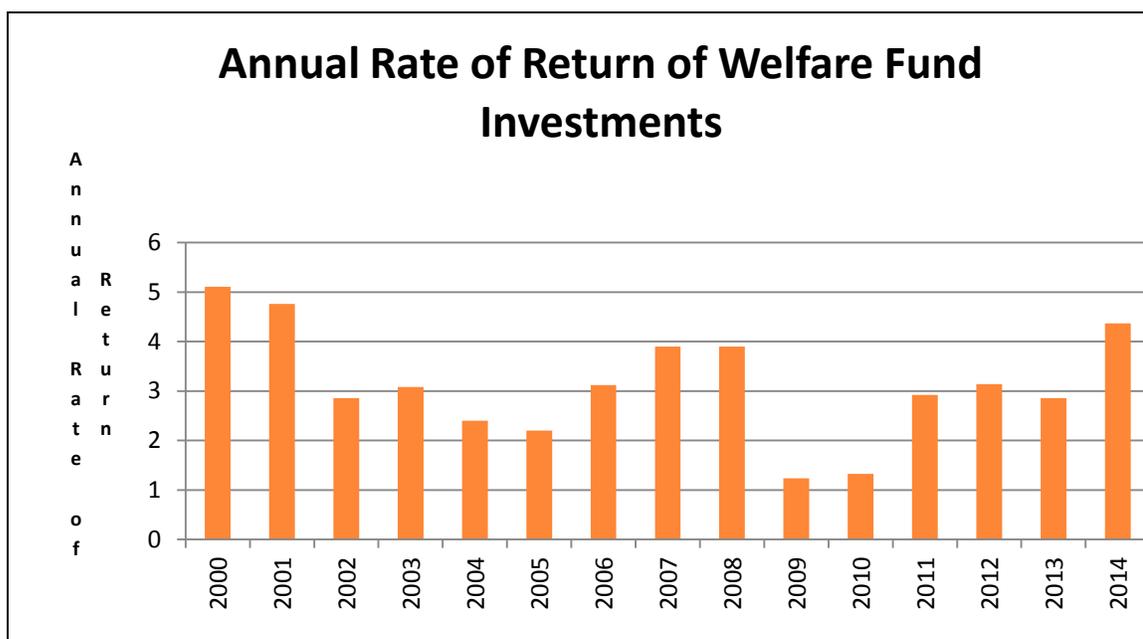
During the period January 1, 2014 through December 31, 2014, the Welfare Plan paid \$7.3 Million in benefits to its Members and their Beneficiaries.



WELFARE FUND INVESTMENTS

The Trustees have adopted a Statement of Investment Policies and Procedures. The purpose of the Policy is to obtain the best possible investment returns with a prudent level of risk. The Policy is reviewed annually and amended as necessary.

The Annual Rates of Return of the Welfare Fund's Investments over the 14-year period from 2000 through 2014 inclusive are shown in the following Graph:



2000	5.11%	2008	3.90%
2001	4.76%	2009	1.24%
2002	2.86%	2010	1.33%
2003	3.08%	2011	2.92%
2004	2.40%	2012	3.14%
2005	2.20%	2013	2.86%
2006	3.12%	2014	4.37%
2007	3.90%		

BRIEF SUMMARY OF THE PLAN

The Welfare Plan covers Members, Apprentices, their Spouses and unmarried dependent children under Age 22. Dependents must be Canadian residents and covered under a provincial Medicare plan.

Under the Monthly Dollar Bank Deduction rules in effect commencing July 1, 2009 your Dollar Bank is debited each month in the amount of \$409.00. Members can save excess Contributions in their Dollar Bank up to \$4,908 - that is, one year's coverage under the current Rules.

The Trustees have not increased the Dollar Bank Deduction since July 1, 2009 even though significant improvements have been made to the Plan. The Trustees have been able to defer increasing the Dollar Bank Deduction largely due to the

Ontario government initiatives which curtailed the cost of drugs, efficient management and a change in the Plan's investment policy.

Certain benefits are continued for Apprentices while they are in Apprenticeship Training School, for Members who are disabled or laid off and for retired Members.

At January 1, 2015, the Plan provides the following benefits which are summarized below:

ACTIVE MEMBERS

Life Insurance:

- \$100,000 Group Term Life Insurance
- \$2,000 Spouse, \$1,000 Child Dependant Life Insurance

Accidental Death and Dismemberment Benefits:

- Principal sum of (or a percentage of) \$100,000 due to Accidental Death or Dismemberment.

Weekly Income:

- \$524 per week, 26 week maximum benefit, commencing first day of disability due to accident or hospitalization, eighth day due to illness.
- The Plan excludes coverage for disabilities arising due to a motor vehicle accident.
- This benefit is integrated with Employment Insurance.

Long Term Disability:

- \$1,750 Monthly Income maximum benefit, payable from the 27th week of continuous Total Disability to Age 65. The benefit is reduced, dollar for dollar, by any amount paid or payable by Workers' Compensation (WSIB). The Member must be Totally Disabled – that is, during the first 130 weeks of disability, he/she must be unable to perform the duties of his/her own occupation, and not engage in any occupation for wage or profit. Thereafter, Total Disability means the Member's inability to work at any occupation for which he/she is reasonably qualified, having regard for education, training and experience.
- The Plan excludes coverage for disabilities arising due to a motor vehicle accident.

Major Medical:

- With the exception of certain services, the Major Medical benefit pays 100% of the medically necessary, reasonable and customary charges for a broad range of ancillary medical expenses that are not covered by OHIP, provided that legislation does not prevent the payment thereof by this Plan.

Included are charges for the services of a Registered Nurse out-of-Hospital, Ambulance, Prosthetic Devices, Hearing Aids, Speech Therapy, and Hospital/Surgical/Medical Services received outside Ontario in the event of an emergency.

The Plan excludes coverage for expenses arising due to a motor vehicle accident.

- Claims can now be submitted on line using your Green Shield card.

Prescription Drugs:

- The Prescription Drug benefit pays 100% of the medically necessary, reasonable and customary charges for the ingredient cost of prescriptions issued by the attending physician, provided that the prescription is a generic drug and is for the treatment of illness or injury. The Plan pays 70% of the drug ingredient cost if the drug is a brand name drug. The Plan pays a maximum of \$8.50 per eligible Prescription in respect of the Professional Dispensing Fee.

For Members and Dependants age 65 and older, the Plan does not pay for any drug covered under the Ontario Drug Benefit Plan (ODB) for Seniors. The Ontario Drug Benefit Plan requires an annual deductible of \$100 per person, followed by a user fee equal to the Professional Dispensing Fee (currently, \$6.11 per prescription order). These charges apply to Ontarians whose annual income exceeds \$16,018 (single) or \$24,175 (family). These charges are the responsibility of affected Retired Members and their Dependants and are not covered by the Welfare Plan.

- The Plan excludes coverage for expenses incurred due to a motor vehicle accident.
- Prescription drug claims should be submitted to the Plan by your pharmacist.

Vision Care:

- The Vision Care benefit pays up to \$240 for each Member and each Dependant per two year period for the initial purchase, or replacement, of prescription eye glasses and contact lenses. The Plan pays up to \$50 per person per 24 consecutive month period for refractions (testing for eyeglasses) unless the refraction is covered by OHIP.
- Many providers can submit your claim for you using your Green Shield card.

Dental:

- The Dental Care benefit provides a comprehensive range of benefits, to an Annual maximum benefit of \$2,000 per person. The Plan also includes an Orthodontia benefit paying 75% of such expenses to a maximum Annual benefit of \$1,000 per person, within the \$2,000 maximum. Effective March 1, 2015, claims are paid on the basis of the 2014 Ontario Dental Association (ODA) Suggested Fee Guide For General Practitioners.

- The Plan excludes coverage for expenses incurred due to a motor vehicle accident.
- Claims should be submitted directly by your dental practitioner using the Green Shield card.

The Trustees reserve the right to terminate, suspend or modify the Welfare Plan should circumstances warrant.

UNEMPLOYED MEMBERS

In the event that the Member is unemployed due to disability or lay off, all of the Benefits for Active Members remain in force until his/her Dollar Bank Balance is less than \$409.00 under the current rules. Thereafter, through the special Extended Benefit Program for Unemployed Members, the benefits provided to Active Members (except Disability Income) remain in force as follows:

- If unemployment is due to disability, benefits are continued for up to 12 consecutive months for any one period of continuous disability.
- If unemployment is due to shortage of work, and the Member is actively seeking work through Local Union 30, benefits continue subject to ongoing authorization by Local Union 30. Effective January 1, 2015, Extended Benefits will be limited to a maximum of 18 months (in aggregate and not necessarily consecutive) in any 36 consecutive month period. Members who refuse work three times while on Extended Benefits will be removed from Extended Benefits. Once removed from Extended Benefits, Members will not be eligible for them again until they have worked at least 217 hours for a contributing employer.

In order to qualify, the Member must:

- **have been covered as an Active Member immediately prior to the layoff or disability;**
- **be and remain a Member in Good Standing of Local Union 30; and**
- **make prompt application to the Office of Local Union 30, for approval. Local Union 30 is responsible for approving applications, and accordingly notifies the Plan Administration Office.**

Retirees, including those who return to work, are not eligible for the Extended Benefit Program.

The Trustees reserve the right to terminate, suspend or modify the Extended Benefit Program.

APPRENTICES

Indentured Apprentices must periodically take time off work to attend Apprenticeship Training School. In order to ensure that they do not lose their Welfare Plan benefits due to lack of contributions, Apprentices can make arrangements with Local Union 30 to have credits granted in the Welfare Plan at a rate equal to the monthly Drawdown, so that their Dollar Bank is not depleted while they are attending Apprenticeship Training School.

It is the sole responsibility of the Apprentice to apply to Local Union 30 for this benefit.

The Trustees reserve the right to terminate, suspend or modify the Apprentices Benefit Program.

PERMANENTLY DISABLED MEMBERS

The Welfare Plan continues certain benefits for persons who suffer a disability while insured, and before attainment of Age 65. In some cases, the degree of this disability is such that the Member cannot continue employment in the Sheet Metal Industry. In other cases the disability is so severe that the Member cannot work at any occupation, whatsoever, for wage or profit. In those cases, such Members remain covered as follows:

If the Member is Totally and Permanently Disabled, the Life Insurance benefits shown earlier for Active Members remain in force until Age 65, through the Waiver of Premium benefit in the Group Life Insurance contract held by the Trustees. At age 65, the benefit reduces to \$10,000 (\$5,000 for Members disabled prior to October 1, 2003). Prompt application for Waiver of Premium must be made by the Member and approved by the insurer.

It is the sole responsibility of a disabled Member to give prompt written notice to the Plan Administration Office, and supply evidence of the initial and ongoing disability as requested. Otherwise, the insurer is contractually able to decline the Waiver of Premium.

The Trustees reserve the right to terminate, suspend or modify the Program for Permanently Disabled Members.

PAY DIRECT OPTION

In the event that the Member's Dollar Bank Balance is less than \$409.00 and he/she has exhausted his/her entitlement under the Extended Benefit Program for

Unemployed Members, he/she may apply to continue the benefits provided to Active Members (except Disability Income) for up to three months by paying the full cost of these benefits. Members also have the option to continue only the Life Insurance benefit. Details may be obtained from the Plan Administration Office. Retirees who return to work are not eligible for the Pay Direct Option.

In order to qualify, the Member must:

- have been covered as an Active Member or under the Extended Benefits Program immediately prior to making application under the Pay Direct Option; and
- be and remain a Member in Good Standing of Local Union 30.

Pay Direct Notices are sent by regular mail – they are deemed to have been received five business days after the date the Notice was mailed. Payments must be made on time. Late payments are not accepted.

The Trustees reserve the right to terminate, suspend or modify the Pay Direct Plan at any time.

RETIRED MEMBERS

When an Active Member retires, provided that:

- The Plan Member is, and remains, a Member in Good Standing of Local Union 30; and
- The Plan Member is in receipt of a monthly Pension from the Sheet Metal Workers Local 30 Pension Plan; and
- On the day prior to retirement, the Plan Member was covered by the Sheet Metal Workers Local 30 Welfare Plan as an Active Member, or on the Extended Benefit Program; and
- During the 120 months immediately prior to retirement, the Plan Member was covered by the Sheet Metal Workers Local 30 Welfare Plan as an Active Member, or on the Extended Benefit Program, for at least 60 months (in the aggregate, and not necessarily consecutive); and
- The Retired Plan Member makes all required Monthly Retiree Contributions (see note at end of this section),

the Retired Plan Member is eligible to choose Retiree Plan A, B or C and continue the following benefits:

Life Insurance (included under Retiree Plans A, B and C):

- \$10,000 Group Term Life Insurance, except that if the Retired Member has been approved for Waiver of Premium under the Active Members' Life Insurance benefit, the \$10,000 Group Term Life Insurance will be reduced by any amount being continued under the Waiver of Premium benefit.

The Retired Plan Member and his/her eligible Dependants are eligible for:

Major Medical (included under Retiree Plans A and B):

Subject to a \$100 Deductible per person per calendar year:

- Subject to lifetime maximum benefit of \$100,000 for each person, a Major Medical benefit provides benefits for a great range of medical services and supplies that are not covered by OHIP or the provincial medicare plan where the Plan Member resides.
- Subject to a maximum benefit of \$225 per calendar year per specialty, the Plan will pay the amount charged by a chiropractor, physiotherapist, psychologist, registered massage therapist, osteopath, naturopath, speech therapist and podiatrist.

Prescription Drugs (included under Retiree Plan A):

- The above-described Prescription Drug benefit for Active Members is extended to Retired Members. For Retired Members and Dependants age 65 and older, the Plan does not pay for any drug covered under the Ontario Drug Benefit Plan (ODB) for Seniors, nor the \$100 Annual Deductible or the Professional Dispensing Fee payable under the ODB. This applies to all persons covered by the Retired Members Welfare Plan, regardless of where they reside.

Vision Care (included under Retiree Plans A and B):

- Subject to a maximum benefit of \$50 per person per 24-month period, a Vision Care benefit for the reimbursement of the cost of frames and lenses prescribed by a physician or optometrist and for refractions (testing for eyeglasses) unless the refraction is covered by OHIP.

Dental (included under Retiree Plans A and B):

- Subject to a Deductible of \$100 per person per calendar year, the Dental benefit provides reimbursement for the cost of a broad range of dental services. Covered services include the treatment and restoration of natural teeth, as well as repairs to an existing denture or bridge, and the creation or replacement of dentures. The maximum benefit is \$1,000 per covered person each year. Claims for services and supplies will be paid on the basis of the 2014 Ontario Dental Association Suggested Fee Guide For General Practitioners.
- Claims should be submitted directly by your dental practitioner using the Green Shield card.

Note: Any residual Dollar Bank at the time of retirement will be used to offset any contribution requirements based on the Retired Member Plan chosen. If the Retired Member returns to work, he will be required to pay the unsubsidized rate for the Retired Member Plan chosen at retirement until he ceases working or exhausts his Dollar Bank, whichever comes later. However, any contributions made on his behalf while he is working will be added to his Dollar Bank.

Once a Plan is chosen, Retired Members may select a less-comprehensive Plan in the future; but are not permitted to select one of the more comprehensive Plans. Retired Members who choose to cancel their benefits outright will not have the opportunity to subscribe at a future date.

The Trustees reserve the right to terminate, suspend or modify any of the Plan's benefits at any time.

COST AND FUNDING OF THE WELFARE PLAN

The Life Insurance and Long Term Disability benefits are provided under a Contract of Insurance underwritten by Manufacturers Life Insurance Company (Manulife Financial). The AD&D benefit is insured with ACE/INA. The Weekly Disability Income benefit is funded and paid directly by the Welfare Plan. The Health and Dental benefits are funded directly by the Welfare Plan. Claims payment services are provided using the Green Shield Canada Benefit Card and the Plan Administration Office. The Emergency Travel Assistance benefit is insured through Green Shield Canada.

The premiums paid for each benefit reflect the cost of claims incurred by covered Members and their Dependants, and are adjusted from time to time based upon the Welfare Plan's claims experience (the amounts paid to Members), expected future use of the Plan and the demographic changes of Members enrolled in the Plan.

It is important that the Membership be familiar with the cost of their benefits in comparison with what they are presently contributing.

Active Members

Effective May 1, 2009, the hourly contribution was \$4.11, of which \$0.03 per hour is used to fund the liability to continue Welfare and Pension benefits for up to one year on behalf of Members who suffer a work-related disability for which Workers' Compensation (WSIB) is payable. Commencing January 1, 2007, the Trustees established a WSIB Reserve into which the 3¢ per hour is deposited, and from which the cost of the benefits is withdrawn. The amount collected for 2014 was \$76,647 while the amount paid in benefits was \$65,384.

For each hourly contribution of \$4.11, \$3.7898 is deposited to the Dollar Bank Account of the Member who earned that contribution. The remaining \$0.2902 per hour is utilized to pay the premiums for disabled and unemployed Members

covered by the Extended Benefit Program, and to keep Apprentices covered while in attendance at Apprenticeship Training School.

The Trustees set up a Reserve for Extended Benefits as of January 1, 2007. The \$0.2902 is deposited into the Reserve each year while the cost of the benefit provided is withdrawn from it. The total contributions in 2014 were \$740,185 while the benefits provided cost \$291,082.

Effective January 1, 2015, the cost of Active Member benefits was \$362.20 per Member per month. The Active Member Dollar Bank Deduction has remained at \$409.00 per month since July 1, 2009. The difference of \$46.80 is deposited to the Fund's Unallocated Surplus and is used to support Retired Member benefits, stabilize the Fund against future adverse claims experience and to support benefit improvements.

Retired Members

Provided a Retired Member qualifies (see the Eligibility Requirements in the benefits information booklet), the Member is offered enrolment in three different Retired Member Welfare Plans.

Eligible Retired Members are able to continue their Welfare Plan benefits under their choice of one of three Optional Plans by agreeing to pay the monthly contribution which, in most cases, is deducted from the Retired Member's monthly Pension benefit.

Full payment for the selected Plan will be required for Retired Members who are available for work or working until they cease work and their Dollar Banks are exhausted.

The amount Retirees contribute to the Plan is set by the Trustees and historically has been approximately 50% of the actual monthly insurance premium paid for the benefits. However, the pay direct amounts have not been adjusted to reflect the cost of the Emergency Travel Assistance program or the FSEAP program. The difference between what the Retirees contribute and what the benefits cost is paid out of the Welfare Fund's Reserves. The current contribution and subsidy structure is set out in the following Table.

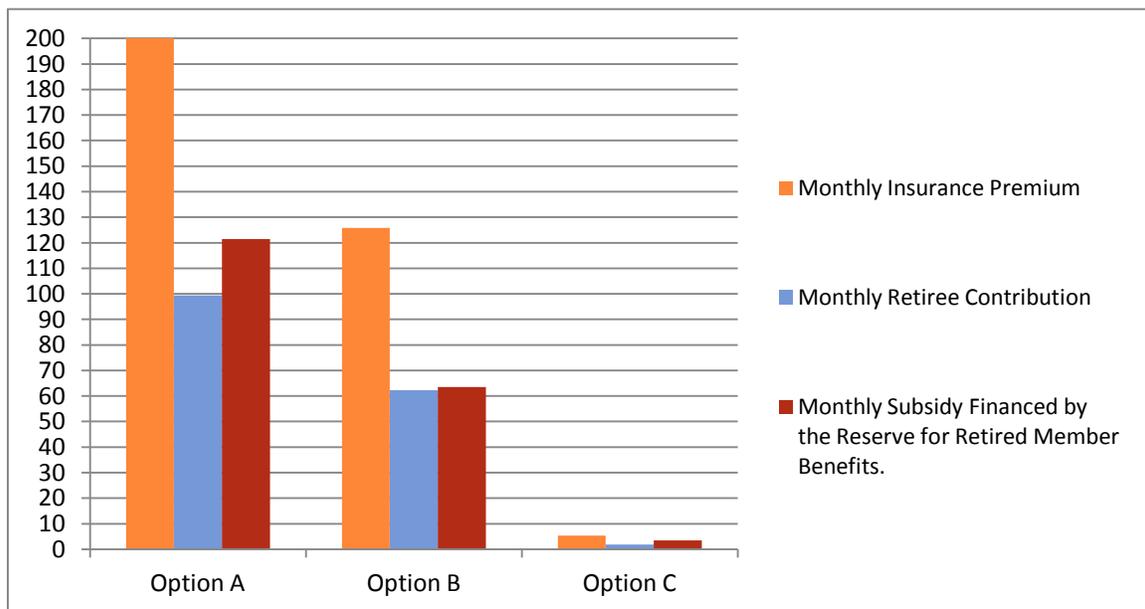
As at January 1, 2015:

Plan Option	Monthly Cost of Benefits	Monthly Retiree Contribution, net of Tax	Monthly Subsidy per Retired Member
A	\$220.91	\$99.45	\$121.46
B	\$125.78	\$62.25	\$63.53
C	\$5.29	\$1.81	\$3.48

Notes:

1. Retired Members living in Ontario are required to pay Ontario's 8% Retail Sales Tax on their Monthly Contribution.
2. Retired Members who are not eligible for the subsidized rate pay the monthly cost of benefits.

The following graph provides a comparison of the monthly cost of benefits in relation to the Monthly Retiree Contribution. The difference (the Monthly Subsidy) is financed by the Welfare Fund's Reserve for Retired Member Benefits and the unallocated surplus.



Effective January 1, 2007, the Trustees established a Reserve for Retired Member Benefits. This Reserve decreases by the amount the Fund pays to subsidize Retired Member benefits other than for the Emergency Travel Assistance and FSEAP (private counselling services) for which Retired Members are not charged. The Reserve is increased by investment income.

Commencing in 2011, the Reserve is also increased by the equivalent of \$0.25 per hour for hours paid on behalf of Active Members. The cost of the hourly contribution allocation is drawn from the Fund's surplus. The Reserve will be increased by any new allocations the Trustees approve for this Reserve.

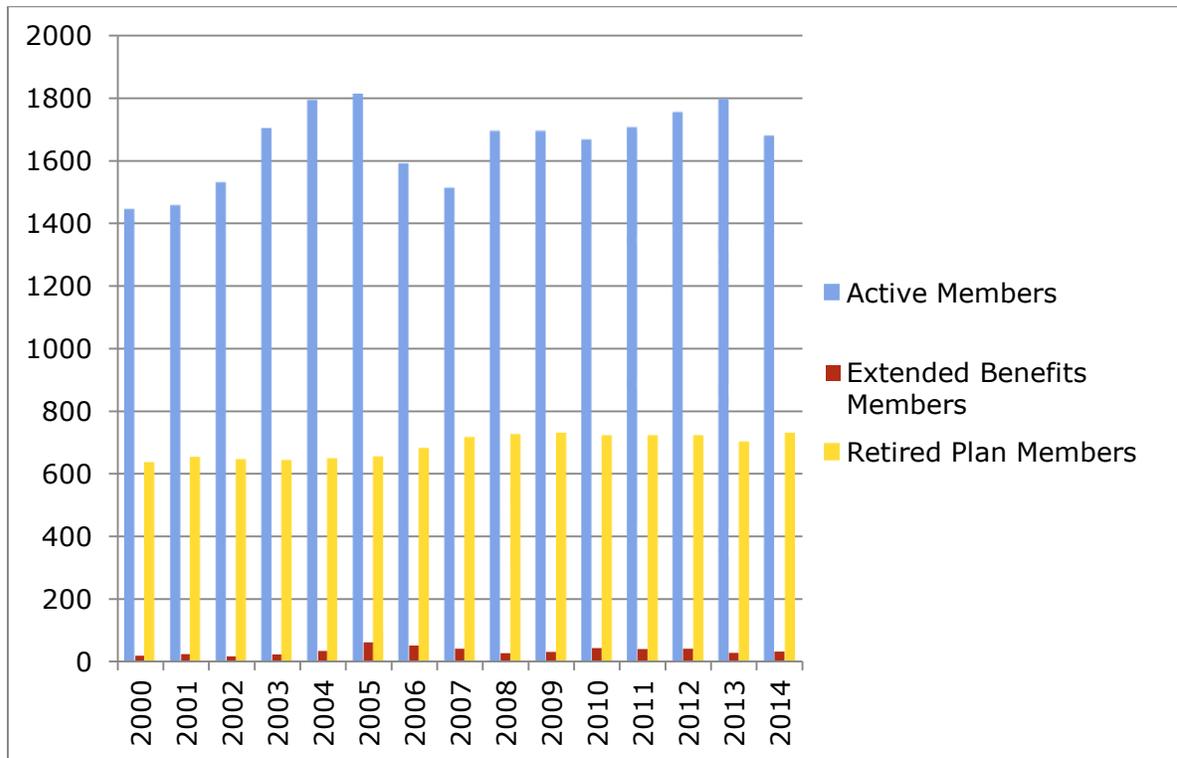
Welfare Plan Membership

The following data illustrates the number of insured Members in December of the indicated year:

Year	Active Members	Extended Benefit Plan Members	Retired Plan Members	Ratio Of Active Members To Extended Benefit And Retired Members
2000	1,443	19	634	2.21
2001	1,455	24	651	2.16
2002	1,529	17	644	2.31
2003	1,701	23	641	2.56
2004	1,791	34	647	2.63
2005	1,810	61	652	2.54
2006	1,589	51	680	2.17
2007	1,511	41	714	2.00
2008	1,692	27	723	2.26
2009	1,692	31	727	2.23
2010	1,665	43	720	2.18
2011	1,703	40	720	2.24
2012	1,752	41	720	2.30
2013	1,794	28	700	2.46
2014	1,677	32	727*	2.21

*Comprised as follows: Plan A – 480; Plan B – 160; Plan C – 87

The following graph compares the number of Active Members to the number of Extended Benefit Plan Members and Retired Plan Members for the period 2000 through 2014, inclusive.



LEGISLATION BEARING ON THE WELFARE PLAN 2010-2014

- Commencing July 1, 2010 the Government of Ontario implemented changes to reduce the cost of generic drugs.
The benchmark cost was reduced on a staggered basis, from 50% of the brand name drug to 25% of the brand name drug.
Dispensing fees paid to pharmacies by the ODB increased by \$1 to \$8 effective July 1, 2010 and are scheduled to increase by a further 2.5% in each of the succeeding five years commencing April 1, 2011.

RECENT CHANGES TO THE WELFARE PLAN

The Trustees made the following benefit improvements effective January 1, 2011:

- The Weekly Indemnity benefit was increased from \$445 to \$468.
- For disabilities arising on or after January 1, 2011, the Long Term Disability monthly benefit was increased from \$1,500 to \$1,750.
- The Dental benefit reimbursed claims based on the 2010 ODA Suggested Fee Guide, General Practitioners, in replacement of the 2007 Guide.
- The annual maximum Orthodontics benefit for Active Members was increased from \$500 to \$1,000.
- The lifetime maximum under the Retired Member's Major Medical benefit was increased from \$50,000 to \$100,000.
- In 2011 the Trustees introduced internet access to Member benefit information through the Plan's web site at www.lu30plan.com. With this improvement, Members have access to their personal benefit information 24/7 including Employer contributions, how long coverage lasts and who has been enrolled in the Plan as a Dependant.

The Trustees made the following changes effective July 1, 2011:

- Massage therapy coverage under the Active Members' Plan was amended to share 80% of the invoiced amount with an annual maximum of \$1,000.
- Convalescent Care coverage under the Retired Members' Plan was amended to provide a 100-day maximum per convalescence (\$20 per day) and a lifetime maximum of \$5,000.

- Effective with disabilities arising on or after October 1, 2011, the Weekly Indemnity benefit was payable from the first day of hospitalization (previously the eighth day of hospitalization if due to illness).
- Effective with claims incurred on or after October 1, 2011, “per visit” and “per half hour” limits were removed on the amount payable under the Retired Members Plan for services of a psychologist, speech therapist, podiatrist, chiropractor, physiotherapist, osteopath, naturopath and registered massage therapist. This allowed Retired Members and their Spouses to claim the \$225 annual maximum per practitioner with fewer visits.
- Effective March 1, 2012, the Welfare Plan commenced paying up to \$45 for a treatment plan requested by the Plan administrator with respect to three paramedical benefits (chiropractic, massage therapy and physiotherapy). The cost of the treatment plan is included in the maximum benefit payable.
- Effective May 1, 2012 the Dental benefit was improved to pay Dental claims from the 2010 Fee Guide to the 2011 Fee Guide.
- Effective July 1, 2012, the Active Members Welfare Plan commenced providing a confidential and diverse counselling service that assists Members and their Dependents with a variety of issues. Members can use this service for help with problems including legal, financial and family matters such as relationship problems, dealing with disability or aging.

The benefit is delivered by Family Services Employee Assistance Plans (FSEAP). FSEAP has hundreds of locations available across Canada. Treatment for substance abuse is coordinated with the De Novo Treatment Centre. The toll free telephone number is 1-800-668-9920. Web site access is at www.myfseap.com. The Welfare Plan’s web site www.lu30plan.com has a link to this benefit.

- The FSEAP program was extended to Retirees effective January 1, 2013.
- Commencing in 2012 dentists could submit claims directly to the Plan Administration Office via the Internet.
- Members could have their claim payments deposited directly to their bank accounts.
- Effective January 1, 2013 the Plan was improved to pay Dental claims on the basis of the ODA Fee Guide for 2012.
- Effective January 1, 2014 the Plan was improved to pay Dental claims on the basis of the ODA Fee Guide for 2013.

- Effective September 1, 2014 the Plans Medical, Dental and Weekly Indemnity benefits became self-funded by the Plan's assets. The Insurance contracts were terminated.
- Effective September 1, 2014, all covered Members (Active and Retired Members and Members on Extended Benefits) were provided an All in One Benefit Card. This Card allows all Members to have claims paid at "point of sale" – at the pharmacy, dental office, therapist's office, etc. Members may also file claims online and receive a claim payment by direct deposit in as few as three days. Members can file "test claims" to see how far their coverage will go.
- Effective September 1, 2014, Emergency Travel Assistance benefits were provided to all covered Members.
- Effective September 1, 2014, Basic Life Insurance for Active Members was increased from \$50,000 to \$100,000 and the Survivor Income Benefit was terminated. Members who were disabled on September 1, 2014 were not eligible for the increased Life Insurance until they have recovered and returned to work.
- Effective September 1, 2014, the Accidental Death & Dismemberment benefit amount was increased from \$25,000 to \$100,000.
- Effective September 1, 2014, the Weekly Indemnity benefit was increased from \$468 to \$514 to match the Employment Insurance maximum weekly benefit.
- Effective September 1, 2014, the Drug benefit will pay for the ingredient cost of a drug based on the lower of the Brand Name or Generic drug price.
- Effective September 1, 2014, coverage for charges for diagnostic x-ray and medical laboratory expenses will no longer be provided under the Major Medical benefit.
- Effective November 11, 2014, the Drug benefit will cover up to a 100 day supply of a prescribed drug (the previous limit was a 90 day supply) and a vacation supply of drugs for Members going on extended vacations.
- Effective January 1, 2015, the Weekly Indemnity benefit was increased from \$514 to \$524 to match the Employment Insurance maximum weekly benefit.
- Effective January 1, 2015, coverage for osteopathic services was extended to Active Members. Coverage is combined with the massage therapy coverage for Active Members; claims are subject to 80% coinsurance and a combined annual maximum of \$1,000.

- Effective January, 2015, a Health Care Spending Account was established, with an opening balance of \$500 per family, for all Active Members and Retirees in Plans A and B. The Trustees will determine the amount to be added to the Health Care Spending Account annually. The amount will depend on the financial performance of the Welfare Fund.
- Effective March 1, 2015 the Plan was improved to pay Dental claims on the basis of the ODA Fee Guide for 2014.

The Trustees carefully monitor the funding of the Plan in order to provide the Plan's benefits on a sustainable and prudent basis. This might require changes from time to time. Of ongoing concern to the Trustees are potential cutbacks under OHIP and/or the Ontario Drug Benefit for Seniors and the cost of new biologic drugs.

PRIVACY STATEMENT

The *Personal Information Protection and Electronic Documents Act*, Canada was proclaimed effective January 1, 2004, and requires most persons, firms and corporations which collect Personal Information to maintain that Information in strict safekeeping, and use that Information solely for the purpose for which it was collected. In the course of their duties, the Board of Trustees and the Plan Administration Office collect from the Membership certain Personal Information (such as home address, date of birth, names of spouse and other dependants, Social Insurance Numbers, etc.). The collection of this Personal Information is essential to the proper administration of the Plans as well as determining each Member's entitlement to receive a Benefit. Personal Information is provided by the Member when completing a Member Information Card, submitting a claim for Welfare Plan benefits, or an application to receive a Benefit from the Pension Plan. The Plan Administration Office protects Personal Information in accordance with the *Act*.

The Board of Trustees has developed a Privacy Policy, by which the Trustees and every employee of the Plan Administration Office have agreed to abide. The Trustees have appointed a Privacy Officer to ensure that the Privacy Policy is observed without exception. If you would like to receive a copy of this Privacy Policy, or if you have any questions on that subject, please write to:

Privacy Officer – Sheet Metal Workers Local Union 30, Benefit Trust Funds
Employee Benefit Plan Services Limited
45 McIntosh Drive
Markham, Ontario
L3R 8C7

ebps@mcateer.ca

TRUST FUND ADVISORS AND INSURERS

The Trustees of the Pension and Welfare Trust Funds have retained the following Firms to provide services:

<i>Actuary / Investment Consultant</i>	Eckler Ltd.
<i>Administrator</i>	Employee Benefit Plan Services Limited
<i>Auditor</i>	HS & Partners LLP, Chartered Professional Accountants
<i>Banker</i>	Royal Bank of Canada
<i>Consultant</i>	J.J. McAteer & Associates Incorporated
<i>Custodian of the Pension Fund</i>	RBC Investor Services Trust
<i>Employee Assistance Plan</i>	Family Services Employee Assistance Plans (FSEAP)
<i>Insurers</i>	Manufacturers Life Insurance Company (Manulife Financial) ACE/INA Life Insurance Green Shield Canada
<i>Investment Managers</i>	Greystone Managed Investments Gryphon International Investment Counsel Pyramis Global Advisors RBC Dominion Securities RBC Global Asset Management Sionna Investment Managers TD Asset Management Walter Scott and Partners Limited
<i>Legal Counsel</i>	Borden Ladner Gervais LLP
<i>Securities Monitoring</i>	Labaton Sucharow LLP Robbins Geller Rudman & Dowd LLP

OFFICE OF THE PLAN ADMINISTRATOR

www.lu30plan.com

www.facebook.com/smwialocal30benefits

Employee Benefit Plan Services Limited
45 McIntosh Drive
Markham, Ontario
L3R 8C7

Telephone: (905) 946-9700

Toll Free: 1-800-263-3564

Fax: (905) 946-2535

ebps@mcateer.ca