

annual report

TO PLAN MEMBERS AND CONTRIBUTING EMPLOYERS



2015

Sheet Metal Workers Local Union 30 Benefit Trust Funds

FOREWORD

The Trustees of the Sheet Metal Workers Local Union 30, Benefit Trust Funds are pleased to present the 2015 Annual Report.

The financial information in this Annual Report is taken from the unaudited Financial Statements of each Trust Fund. The audits of the 2015 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' Facebook page is www.facebook.com/smwialocal30benefits.

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

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Recording Secretary
Sheet Metal Workers Local Union 30, Benefit Trust Funds
45 McIntosh Drive
Markham, Ontario L3R 8C7
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Yours sincerely,

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

A. E. White - Chair
B. LaFave
B. Wilkinson

P. Witruk - Co-Chair
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, 2015.

During 2015, the Pension Trust Fund:

Received:

Contributions	\$19,539,216
Interest and Dividends	18,997,177
Net Realized Gains	25,702
Net Realized Capital Loss	0
Net Unrealized Capital Gains	15,938,650
GST Rebate and other	<u>140,064</u>
	<u>\$54,640,809</u>

Disbursed on account of Benefits and Expenses:

Administration	\$114,899
Audit	21,583
Benefits	19,990,453
Consulting, Actuarial	421,223
Custodial	122,129
Government Fees	22,656
Investment Management/Advisory	2,764,933
Legal Fees after recoveries	17,187
Member Information Tools	19,063
Miscellaneous	3,807
Movement in Benefit Holdbacks	-1,621,867
Printing and Stationery	24,873
Telephone, Postage and Courier	8,680
Terminated and Death Holdbacks	82,330
Trustees and Membership Meetings	28,664
Trustees and Trust Fund Insurance	17,088
Trustees Education	<u>31,798</u>
	<u>\$22,069,499</u>

Net Income for the Year \$32,571,310

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

Gain for the Year \$32,571,310

Net Assets at the end of the Year \$438,472,165

At December 31, 2015 the Net Assets of the Pension Trust Fund were represented by:

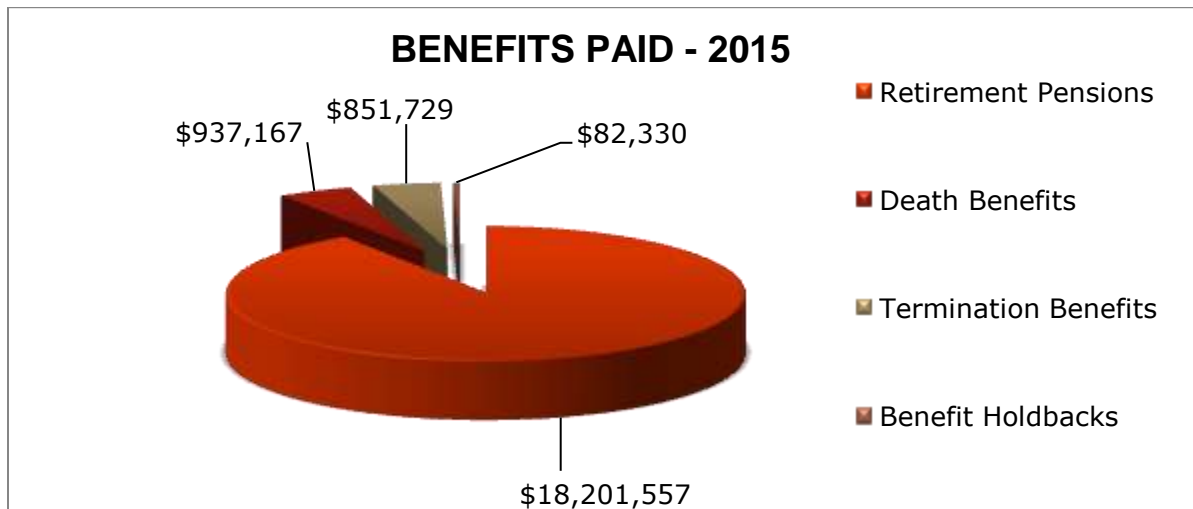
Cash (on hand or in transit, less accounts payable)	\$3,287,200
Interest and Dividends earned, but not received by December 31 st	21,043
Short-Term Notes, Bonds	117,666,585
Equities	279,633,402
Alternatives	<u>37,863,935</u>
	<u>\$438,472,165</u>

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 2015.

PENSION PLAN MEMBERSHIP AND BENEFITS PAID

As at December 31, 2015, 1,492 persons were in receipt of a monthly Pension, and the total monthly Pension pay-out was \$1,538,238.14. There was an increase of 10 persons in receipt of a monthly Pension and a year over year increase of \$103,774.38 in the total monthly Pension pay-out when compared to December, 2014.

During 2015, the Pension Trust Fund paid \$20,072,783 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 temporary solvency deficiency funding relief for pension plans like ours.

The Valuation as at August 31, 2014 was approved by a Board Resolution on April 10, 2015 and was filed with FSCO in May 2015. The Actuarial Valuation is available to Plan Members on the Members' Web Site.

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

	<u>Going Concern</u> (in \$1,000's)	<u>Wind-up</u> (in \$1,000's)
Assets	\$376,374	\$ 401,382
Actuarial Liabilities	<u>419,957</u>	<u>690,108</u>
Actuarial Surplus (Deficiency)	<u>\$ (43,583)</u>	<u>\$(288,726)</u>

Smoothed actuarial value of assets of \$376,374,000 at August 31, 2014 was used for the Going Concern Valuation. The Market Value of assets, net of a provision for wind-up expenses, at August 31, 2014 was \$401,382,000.

- 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 70.6% of estimated Contributions. This was a decrease from 85.6% at the previous Valuation as at September 30, 2013. The large decrease is mainly due to changes in the Plan's mortality and administration expenses assumptions and the change in the benefit accrual rate from 20% of Contributions to 15% of Contributions.
- Actuarial liabilities in the Wind-up Valuation were \$270,151,000 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 was 6.8% compounded annually, net of expenses incurred to earn that Return (investment management and custodial fees). The Valuation at September 30, 2013 used 6.8%.

Interest rates in Canada were almost about the lowest seen in the last 40 years. A decrease in interest rates results 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 of 89.6% decreased from 93.6% at the September 30, 2013 Valuation. This was mainly because of the change in Mortality Table providing for increasing life expectancy of Plan Members.

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%.

AMENDMENTS TO THE PENSION PLAN 2012-2015

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

Funding relief for the Plan as a Specified Ontario Multi-Employer Pension Plan (SOMEPPs) has been extended to December 31, 2018.

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 30, 2012.

Effective September 9, 2014, the Plan's termination benefit was amended in the event the terminated Member elects to transfer his/her entitlement from the Plan. If a terminated Member elects to transfer his/her Pension from the Plan, his/her

accrued pension payable at the normal retirement age of 63 is adjusted by multiplying it by the Plan's Transfer Ratio. This will result in a lower amount being paid. However if the terminated Member elects not to transfer his/her Pension entitlement from the Plan he/she would be entitled to the deferred Pension payable at age 63.

Effective November 1, 2014 the Plan's Transfer Ratio is determined quarterly.

Effective May 1, 2015, the Plan was amended to establish the future service accrual rate of 15% for Contributions made from September 1, 2014. The Plan was amended to remove the final payment of the Holdback Amount for terminated Members if the amount paid by the Plan was higher than the Plan's current Transfer Ratio. The Trustees made this change in order to reduce the losses the Plan had in paying out lump sum benefits to terminated Members instead of providing monthly pensions and to ensure that terminated Members participated in the Pension Plan's adjustments required for secure funding.

Effective November 1, 2015, the Plan was amended so that a Plan Member who applies for a disability pension must be a Member in Good Standing of Local Union 30 at the time the application for a disability pension is made and on the date the disability pension commences.

Under legislation, a surviving spouse of a Plan Member who dies prior to commencing a pension from the Plan is entitled to receive an immediate or deferred pension from the Plan. Effective January 1, 2016 the Plan was amended to formally document this legislative requirement into the Plan Text.

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 provide greater confidence that the Pension Plan's 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 recommended target asset mix was implemented during 2014.
- The rate of return on the Plan's investments was 8.7% for 2015. The benchmark for the Pension Plan's return for 2015 was 5.7%. The

benchmark is the return that could have been achieved using passive funds instead of active management. The use of active investment managers during 2015 added to the Fund's performance by 3.0%.

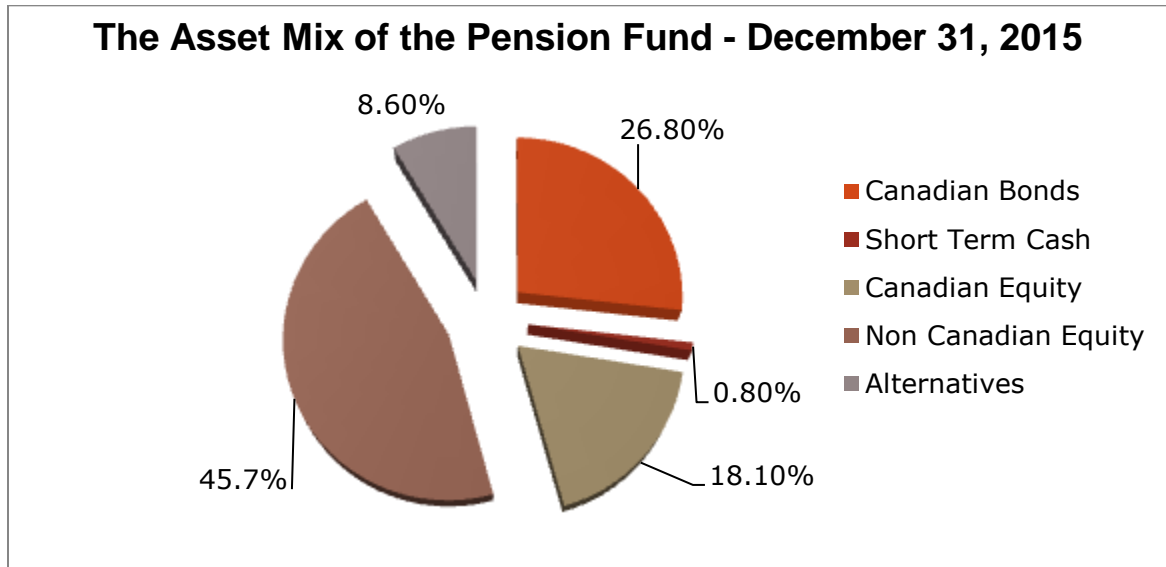
- During the four years ended December 31, 2015 the Pension Plan's rate of return was 10.0%. The benchmark for the Pension Plan's returns for this period was 9.3%. The use of active investment managers during the four-year period added to the Fund's performance by 0.7%.
- During the five years ended December 31, 2015 the Pension Plan's rate of return was 7.6%.
- During the ten years ended December 31, 2015 the Pension Plan's rate of return was 6.1%.
- 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.
- 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 5.5. At the end of 2015 the Plan's actual risk factor was 5.6. 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 and 2015.
- The Trustees adopted a currency hedging policy in 2015 to reduce the volatility created by the changing value of the Canadian dollar compared to some other major World currencies. The policy is a long term strategy and does not try to predict the value of the Canadian dollar.
- 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. 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.

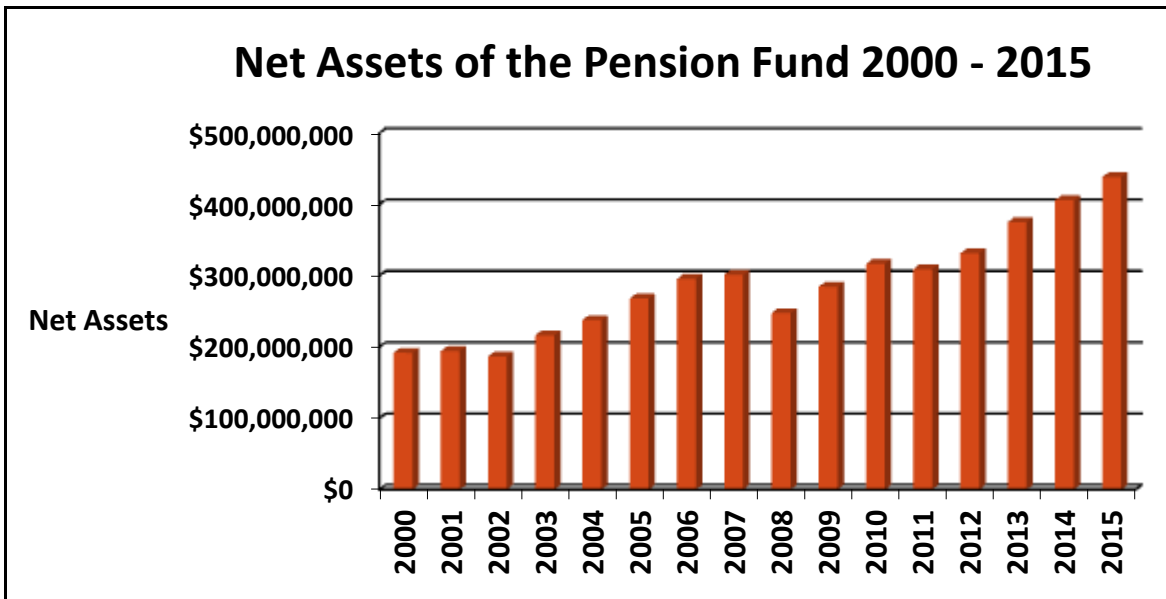
The Trustees retain Eckler Ltd. for the role of investment consultant. This role includes independent performance measurement services and other monitoring of the Fund's investment managers along with Asset Liability modelling and setting of investment policy.

Four times each year and as part of their oversight responsibilities, 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 \$438,472,165. At December 31, 2015 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 16 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	2004	\$237,715,716	2008	\$247,560,151	2012	\$331,632,424
2001	\$194,310,801	2005	\$268,020,927	2009	\$284,715,011	2013	\$375,353,949
2002	\$186,607,555	2006	\$295,850,850	2010	\$316,141,323	2014	\$405,900,855
2003	\$216,478,816	2007	\$301,526,568	2011	\$309,163,447	2015	\$438,472,165

LEGISLATION BEARING ON THE PENSION PLAN 2010-2015

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 that 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 highlighted that plan members must ensure that their beneficiary designations are current and that they must not assume 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 \$290,000 per year.

New Disclosure Rules

Effective January 1, 2016 pension plans are 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. The Fund's Statement of Investment Policies and Procedures includes the Trustees' policy regarding the management of investments keeping in mind environmental, social and governance issues.

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. Starting January 1, 2016 persons taking an early CPP pension will have a reduction of 7.2% per year for each year of retirement earlier than age 65.
- 2) CPP Retirement pensions will be higher if taken after age 65. The CPP pension will be increased by 0.7% for each month after 65 (up to age 70). A person delaying retirement after age 65 will be given an increase of 8.4% per year for each year of delayed retirement.

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/her 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 was to be gradually increased from 65 to 67. The change would have been phased in, beginning in April 2023 and completed by January 2029. However, on March 16, 2016, the Liberal

government announced it will reverse the decision to raise the eligibility for OAS to 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

Bill C-377 would have required unions and pension plans that provide benefits to union members to provide significant financial disclosure. The Trustees were concerned about this proposed legislation because of the possibility of a requirement to disclose Members' personal information.

The Liberal government repealed this legislation in January 2016.

Ontario Retirement Pension Plan (ORPP)

The implementation of the ORPP has been deferred to January 1, 2018. Organizations that sponsor a registered pension plan will be exempt from ORPP contributions until 2020. The government has not yet confirmed its definition of a "comparable plan" that will be excused from having its participants enrolled in the ORPP. It is expected that multi-employer plans (such as this Plan) will be considered to be comparable.

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. Pension plans should plan for longer years spent in retirement. Providing for improved life expectancy is a cost to a pension plan.

TRUSTEE INITIATED DEVELOPMENTS NOT RELATED TO LEGISLATION

Member Internet Access to Personal Plan Information

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 Plans' 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 provide 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.

Pension Forecaster

A Pension Forecaster is being developed. This tool is designed to help you plan for your retirement. It will be customized with your personal information, and will help you better understand your pension from the Sheet Metal Workers Local Union 30 Pension Plan and how it fits into your overall retirement strategy. This calculator will be available through the Plans' Web Site. An announcement will be made when the Pension Forecaster is available.

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 15% 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 Plans' Web Site.

At December 31, 2015, hourly Pension contributions were:

Journeyman	\$8.75
3 Year Apprentice	\$4.74
4 Year Apprentice	\$5.55
5 Year Apprentice	\$6.35
Sheeter/Decker	\$8.75
Sheeter/Decker Assistant	\$7.59
Material Handler	\$6.43

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, 2015.

During 2015, the Welfare Trust Fund:

Received:

Contributions	\$11,223,362
Interest Income	1,240,256
Miscellaneous	<u>2,218</u>
	<u>\$12,465,836</u>

Disbursed:

Administration Fees	\$823,796
Audit Fees	21,470
Consulting Fees	7,574
FSEAP Premiums	24,028
Insurance Premiums	169,881
Investment Management Fees	114,202
Legal Fees Less Liquidated Damages	4,029
Member Electronic Tools	0
Member/Trustee Information Tools	19,063
Printing and Stationery	42,371
Self-Funded Benefits	6,424,098
Telephone, Postage and Courier, etc.	26,468
Trustees and Membership Meetings	15,249
Trustees and Trust Fund Insurance	17,088
Trustees Education	<u>15,434</u>
	<u>\$7,724,751</u>
Excess of Receipts over Disbursements	\$4,741,085
Transfer to Dollar Bank and Other Reserves	<u>(\$2,855,272)</u>
Gain for the Year	<u>\$1,885,813</u>
Net Assets at the beginning of the Year	\$21,697,422
Gain for the Year	<u>\$1,885,813</u>
Net Assets, end of the Year	<u>\$23,583,235</u>

The Welfare Fund maintains several reserves to pre-fund for the cost of future benefits. At the end of 2015 these reserves were:

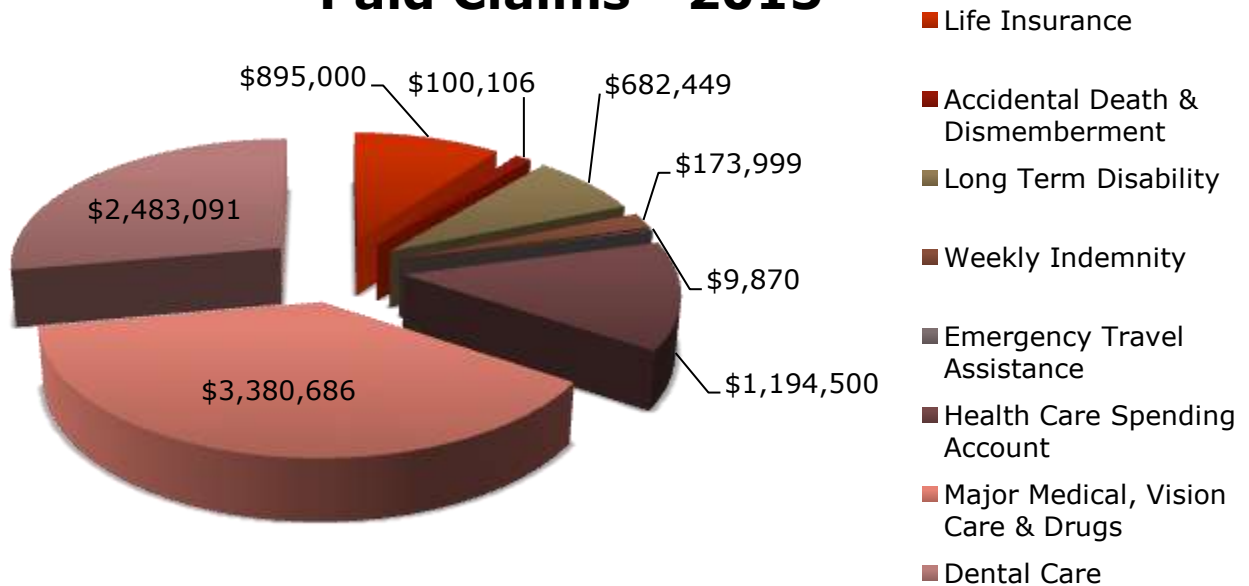
Reserves:

For Benefits Not Yet Purchased	\$6,509,452
For Claims Fluctuation Reserve	\$905,666
For Dental Claims not reported	\$161,401
For Extended Benefits	\$4,996,932
For Health Care Claims not reported	\$354,972
For Health Care Spending Accounts	\$945,297
For Retired Member Benefits	\$6,166,832
For Weekly Indemnity Claims not reported	\$43,500
For Workers Safety and Insurance Board Benefits	\$455,199

BENEFITS PAID DURING 2015

During the period January 1, 2015 through December 31, 2015, the Welfare Plan paid \$8.9 Million in benefits to its Members and their Beneficiaries.

Paid Claims - 2015

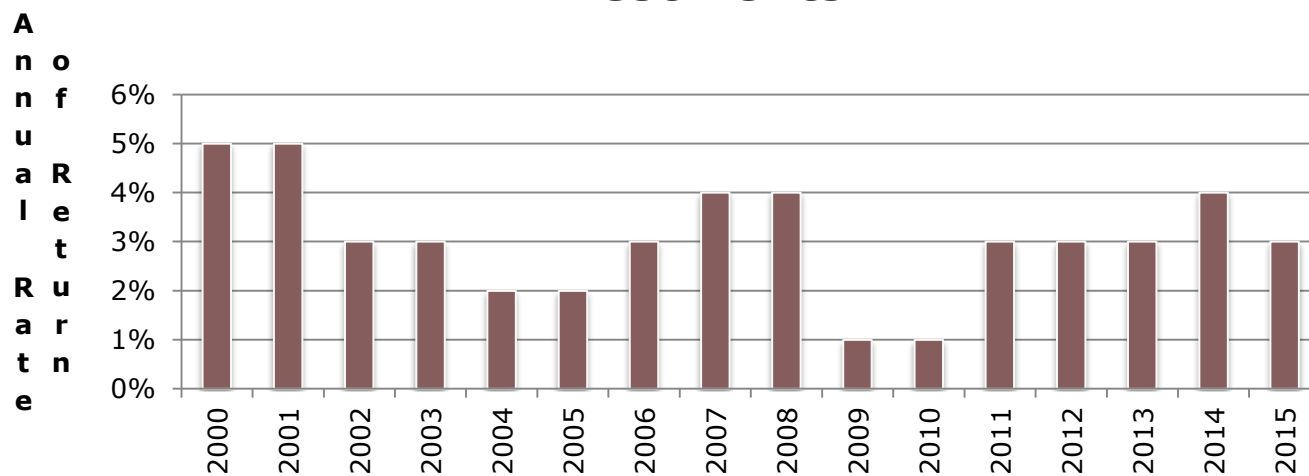


WELFARE FUND INVESTMENTS

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 16 year period from 2000 through 2015 inclusive are shown in the following Graph:

Annual Rate of Return of Welfare Fund Investments



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%	2015	2.73%

BRIEF SUMMARY OF THE PLAN

The Welfare Plan covers Members, Apprentices, their Spouses and unmarried dependent children under Age 22. The Plan also covers disabled Members, unemployed Members and Retired Members. 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 Members' Dollar Banks are debited each month in the amount of \$409.00. Members can save excess Contributions in their Dollar Bank up to \$4,908 - one year's coverage under the current Rules.

The Trustees have not increased the Dollar Bank Deduction since 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 that curtailed the cost of drugs and to efficient management of the Fund and Plan including a prudent Investment Policy.

At January 1, 2016, the Plan provides the following benefits

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 \$100,000

Weekly Income:

- \$537 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:

- \$2,000 monthly 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). It will also be reduced if income from other sources, such as the Pension Plan, exceeds 75% of pre-disability income. The Member must be Totally Disabled. Total Disability means 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 medically necessary, reasonable and customary charges for a broad range of medical expenses that are not covered by OHIP.
- Included are charges for the services of a Registered Nurse out-of-hospital, ambulance, prosthetic devices, hearing aids, speech therapy, and emergency hospital/surgical/medical services received outside Ontario.

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

- Claims can be submitted on line using your All-In-One Benefit Card.

Prescription Drugs:

- The Prescription Drug benefit pays 100% of the lower of the brand name or generic drug ingredient cost of medically necessary, prescription drugs issued by an attending physician for the treatment of illness or injury. 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 ODB 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. These charges will be increasing in 2016.

- 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 using your All-In-One Benefit Card.

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 All-In-One Benefit Card.

Dental:

- The Dental Care benefit provides a comprehensive range of benefits, up to an annual maximum benefit of \$2,000 per person. The Plan also includes an orthodontia benefit that pays 75% of expenses up to a maximum annual benefit of \$1,000 per person, within the \$2,000 maximum. Effective

January 1, 2016, claims are paid on the basis of the 2015 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 your All-In-One Benefit Card.
- The Trustees reserve the right to terminate, suspend or amend the Welfare Plan should circumstances warrant.

UNEMPLOYED MEMBERS

In the event that a 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. 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 are 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 Local Union 30 for approval. Local Union 30 is responsible for approving applications.**

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

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

PERMANENTLY DISABLED MEMBERS

The Welfare Plan continues some benefits for persons who suffer a disability while covered, 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 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 for Active Members remain in force until Age 65, through the Waiver of Premium benefit. At age 65, the benefit reduces to \$10,000 (\$5,000 for Members disabled prior to October 1, 2003).

It is the sole responsibility of a disabled Member to contact the Plan Administration Office and apply promptly and in writing for 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 a 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 amend the Pay Direct program 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. If the Retired Member has been approved for Waiver of Premium 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 Dependents are eligible for:

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

- Subject to lifetime maximum benefit of \$100,000 for each person, a Major Medical benefit provides benefits for a range of medical services and supplies that are not covered by OHIP or the Member's provincial medicare plan.
- 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.
- Expenses not covered by the Major Medical Plan may be payable under your Health Care Spending Account.
- Claims should be submitted using your All-In-One Benefit Card.

Prescription Drugs (included under Retiree Plan A):

- The Prescription Drug benefit for Active Members is extended to Retired Members. For Retired Members and Dependents 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. These amounts may be covered by your Health Care Spending Account.
- Claims should be submitted by your Pharmacist using your All-In-One Benefit Card.

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.
- Expenses not covered by the Vision Care benefit may be payable under your Health Care Spending Account.
- Claims should be submitted using your All-In-One Benefit Card.

Dental (included under Retiree Plans A and B):

- 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 2015 Ontario Dental Association Suggested Fee Guide For General Practitioners.
- Expenses not covered by the Dental benefit may be payable under your Health Care Spending Account.
- Claims should be submitted directly by your dental practitioner using your All-In-One Benefit card.

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

Once a Plan is chosen, Retired Members may select a less-comprehensive Plan in the future; but cannot 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 amend 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 Emergency Travel Assistance benefit is insured through Green Shield Canada.

The Weekly Disability Income, Health and Dental benefits are funded by the assets of the Welfare Plan. Claims payment services are provided using your All-In-One Benefit Card and the Plan Administration Office.

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

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

Active Members

For each hourly contribution of \$4.11, \$3.7898 is deposited to the Dollar Bank Account of the Member who earned that contribution.

Effective May 1, 2009 \$0.03 per hour is used to fund the liability to continue Welfare and Pension benefits for up to one year for Members on Workers' Compensation (WSIB). 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 2015 was \$76,987 while the amount paid in benefits was \$35,005.

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 in 2007. The \$0.2902 is deposited into the Reserve each year while the cost of the benefit provided is withdrawn from it. Total contributions in 2015 were \$750,252 while the benefits provided cost \$301,816.

Effective January 1, 2016, the cost of Active Member benefits was \$395.10 per Member per month. The Active Member Dollar Bank Deduction has remained at \$409.00 per month since July 1, 2009. The difference of \$13.90 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 that, in most cases, is deducted from the Retired Member's monthly Pension.

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 cost of benefits. Retirees are not charged for 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, 2016:

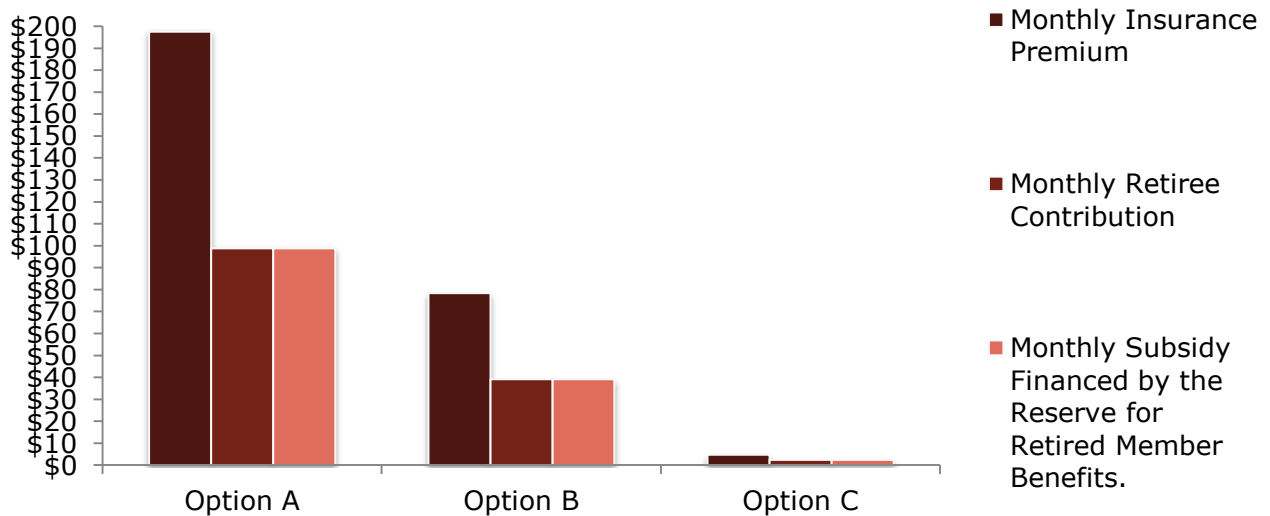
Plan Option	Monthly Cost of Benefits	Monthly Retiree Contribution, net of Tax	Monthly Subsidy per Retired Member
A	\$197.53*	\$98.77	\$98.76
B	\$78.32*	\$39.16	\$39.16
C	\$4.79	\$2.40	\$2.39

* excludes \$37.75 per month for FSEAP and Emergency Travel Assistance

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. 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 Unallocated Surplus. The Reserve will be increased by any new allocations approved by the Trustees.

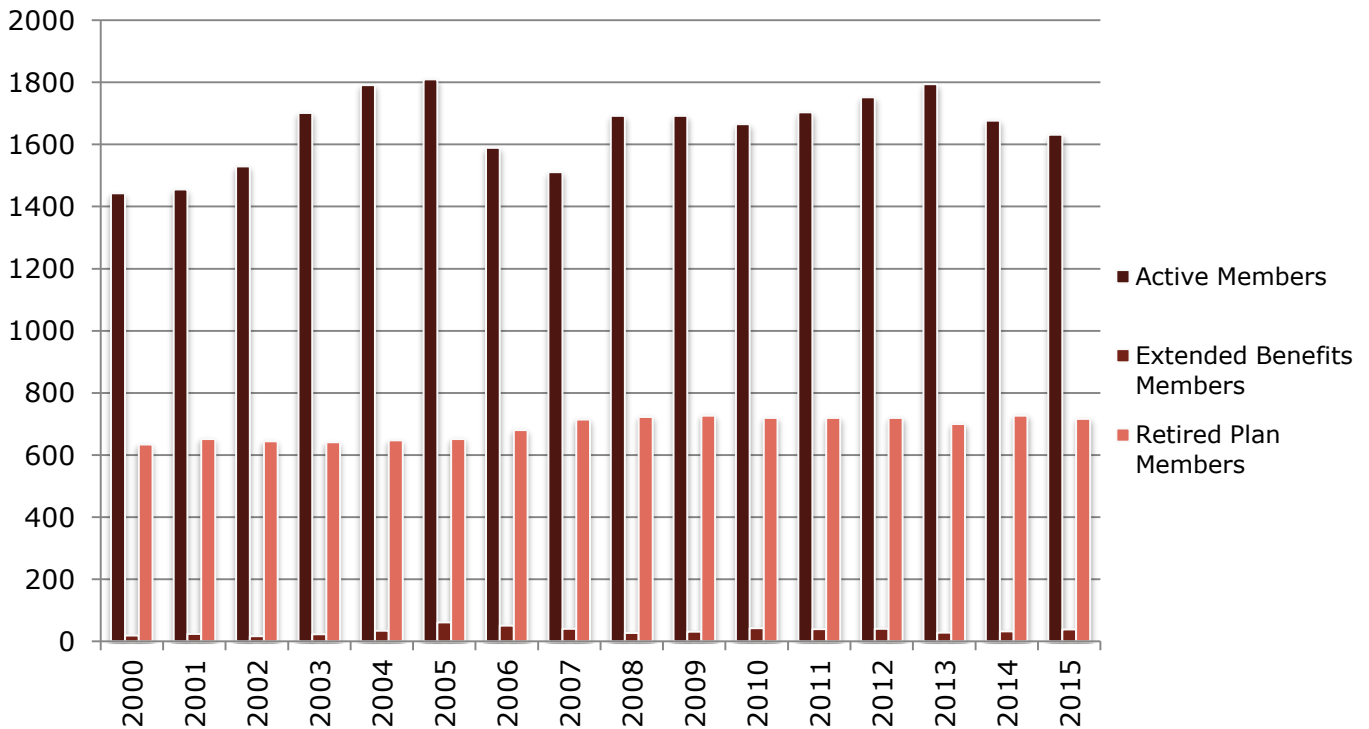
Welfare Plan Membership

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
2015	1,649	34	716*	2.17

*Comprised as follows: Plan A – 482; Plan B – 154; Plan C – 80.

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 2015, inclusive.



LEGISLATION BEARING ON THE WELFARE PLAN 2010 - 2015

- 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 March 1, 2012:

- 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 included a confidential and diverse counselling service. 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 Canadian locations. 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 can 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 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 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, 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 are 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 (EI) 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 were no longer covered 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 EI 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 determine the amount to be added, if any, 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.
- For disabilities arising on or after January 1, 2016, the Long Term Disability monthly benefit was increased from \$1,750 to \$2,000.
- Effective January 1, 2016, the Weekly Indemnity Disability benefit was increased from \$524 to \$537 to match the EI maximum weekly benefit.
- Effective January 1, 2016 the Plan was improved to pay Dental claims on the basis of the ODA Fee Guide for 2015.
- Effective January 1, 2016 the \$100 annual deductible under the Retiree Dental Plan has been removed.
- Effective January 1, 2016 the \$100 annual deductible under the Retiree Major Medical Plan has been removed.
- Effective January 1, 2016 erectile dysfunction drugs are covered.
- Effective January 2016, \$500 per family was credited to the Health Care Spending Accounts of Active Members and Retirees in Plans A and B.

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

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 *Personal Information Protection and Electronic Documents Act*, requires most persons, firms and corporations that 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 certain Personal Information (such as home address, date of birth, information about income, 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.

The Board of Trustees developed a Privacy Policy, by which the Trustees and every employee of the Plan Administration Office must 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 the Privacy Policy, or if you have any questions, 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>Custodian of the Pension Fund</i>	RBC Investor Services Trust
<i>Employee Assistance Plan</i>	Family Services Employee Assistance Plans (FSEAP)
<i>General Consultant</i>	J.J. McAteer & Associates Incorporated
<i>Insurers</i>	Manufacturers Life Insurance Company (Manulife Financial) ACE/INA Life Insurance Green Shield Canada
<i>Investment Managers</i>	Fidelity Investments Greystone Managed Investments Gryphon International Investment Counsel 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

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