



SHEET METAL WORKERS LOCAL 30 WELFARE AND PENSION TRUST FUNDS

PLAN ADMINISTRATOR: EMPLOYEE BENEFIT PLAN SERVICES

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Important Notice to Active Plan Members regarding Changes to the Welfare Plan's Benefits

Dear Active Plan Members

We would like to thank the Members who attended the April 1, 2007 Membership Meeting. Those Members who attended provided valuable input to the Trustees. On the basis of the enthusiasm expressed at that Meeting, the Trustees have agreed to hold an Annual Meeting in 2008. You will be advised in advance of the date of that Meeting.

As you likely know, the vast majority of Members voted in favour of allocating an additional 40 cents per hour to the Welfare Plan and to do this in each of the next three years, commencing May 1, 2007. The higher contribution will allow important changes to the funding status of the Welfare Plan.

In consideration of the new funding, the Trustees are announcing the following changes to the Welfare Plan's Benefits. All of these changes are effective with services received on/after July 1, 2007:

1. The Maximum Reimbursement for the Pharmacist's Professional Dispensing fee is increased to \$8.50 per script from \$7.00 per script. The Professional Dispensing Fee for compounds prepared by the Pharmacist is 100% of the Fee charged;
2. There will be no Maximum Annual Benefit for Physiotherapy Services;
3. There will be no Maximum Annual Benefit for Massage Therapy Services;
4. There will be no Maximum Annual Benefit for Chiropractic Services.

Members are cautioned that the Plan assesses Claims based on the principles of "reasonable and customary" and "medical necessity". Thus, when re-instating the previous "no maximum" benefit levels for Physiotherapy, Massage Therapy and Chiropractic Services the Trustees accept that Members will be asked to support their Claims with evidence of "medical necessity" for consideration by the administrator and the Insurer. The Insurer, in consultation with the licensed professional practitioner's regulatory body, is responsible for the determination of "medical necessity" and "reasonable and customary" treatment.

In recognition of the 40 cent per hour increase, the Dollar Bank Drawdown will be increased from \$281.00 to \$323.00 effective with the Benefit Month of July 2007. The monthly cost of Retiree Benefits will be increased July 1, 2007. The increase will reflect 50% of the increase in cost for Retiree Benefits (this is only the Prescription Drug Dispensing Fee Benefit). A separate letter will be sent to the Retirees on this subject.

The Trustees have commenced a cautious program of considering Benefit improvements. You will note that not all of the Benefits changed in January 2007 have been reinstated. This is intentional. The Trustees have agreed that there would be no change to the integration of the Weekly Indemnity Benefit with EI. (Employment Insurance). The Trustees further confirm that the Plan will not pay for medical, dental or disability claims related to motor vehicle accidents.

We will be making positive changes to recognize the financial liability the Plan will incur while providing subsidized Retiree Benefits. We will also show you, in the Fund's financial statements, a reserve for Retiree Benefits, a Reserve for Workers Safety Insurance Board Benefits and a Reserve for Extended Benefits.

The Trustees did not re-instate Benefits with a view to spending the 40 cents per hour newly allocated to the Welfare Plan. Our approach will be prudent and based on fulfilling the priority of Plan stability. We will consider further Benefit improvements when we consider that the Plan's funding is stable.

Best Regards

THE BOARD OF TRUSTEES