



# SHEET METAL WORKERS LOCAL 30 WELFARE AND PENSION TRUST FUNDS

## PLAN ADMINISTRATOR: EMPLOYEE BENEFIT PLAN SERVICES

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### **Important Notice to Retired Members Regarding Changes to the Welfare Plan's Benefits**

Dear Retired Plan Members

We would like to thank the Retired Members who attended the April 1, 2007 Membership Meeting. 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 may know, the vast majority of Active 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 change to the Retirees' Welfare Plan Drug Benefit (under Plan Option A) effective with prescriptions filled on and after July 1, 2007:

The Maximum Reimbursement for the Pharmacist's Professional Dispensing Fee is increased to \$8.50 per script from \$7.00 per script. There is full reimbursement for the Pharmacist's Professional Dispensing Fee for compounds prepared by the Pharmacist.

The Retirees' Welfare Plan Drug Benefit does not cover any portion of the Ingredient Cost, Pharmacist's Professional Dispensing Fee or deductible with respect to drugs covered by the Ontario Drug Benefit for Seniors. Therefore Retirees over age 65 will not be significantly impacted by this improvement, just as they were not significantly impacted by the cuts that were made effective January 1, 2007.

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***The monthly cost of the Drug Benefit portion of the Retiree Benefits will be increased effective August 1, 2007 in order that it continues to reflect 50% of the actual cost. The cost of Plan Option A will increase from \$98.11 per month to \$98.80 per month.***

The Trustees have commenced a cautious program of considering Benefit improvements. You will note that not all of the Drug Benefit changes made January 2007 have been reversed. The Ingredient Cost of Brand Name Drugs will continue to be covered at 70% rather than 100%. This is intentional. 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