Sheet Metal Workers Local Union 30

Benefit Trust Funds

To
Plan
Members
and
Contributing
Employers

ANNUAL REPORT 2009

FOREWORD

The Trustees of the Sheet Metal Workers Local Union 30 Benefit Trust Funds are pleased to present the Annual Report covering the activity of the Funds during 2009.

The financial information in this Annual Report is taken from the Unaudited Financial Statements of each Trust Fund. The Funds are audited each year, with the audit of the 2009 financial statements taking place in the Spring of 2010. A copy of each Audited Financial Statement is filed with The Ministry of Labour, Ontario, in accordance with Legislation. The Pension Fund's Audited Financial Statements are also filed with the Financial Services Commission of Ontario.

The Annual Report also provides other information respecting the Funds – it discusses significant changes to the Plans, particularly in the area of Benefit Amendments. Also included are comments about recent Legislation impacting on the Benefit Plans. The Annual Report does not give detailed information about the benefits of the Plans or how you become covered for the benefits. This information is provided in other documents governing the Plans, such as the Pension Plan Text, member information booklets and the contract of insurance for the Welfare Plan. New information about the Benefit Plans is always available on the Internet, at *www.lu30plan.com*. Welfare and Pension benefit applications can also be downloaded from the Plans' Web Site.

The Funds are governed by a Board of Trustees. The Trustees are appointed, or elected, to the Board pursuant to the Union Constitution. There are six Trustees. The duties and responsibilities of the Trustees are set out in the Agreement and Declaration of Trust.

In the event that you have any comments or suggestions, we would like to hear from you. Please address your remarks to:

Ms. S. Bird, CEBS
Recording Secretary
Sheet Metal Workers Local Union 30 Benefit Trust Funds
45 McIntosh Drive
Markham, Ontario L3R 8C7
Fax: 905-946-2535

The next Annual Meeting for Plan Members is being held on May 1, 2010. The Meeting is being held at the Ontario Federation of Labour Building, 15 Gervais Drive, Toronto, Ontario, M3C 1Y8. The Annual Meeting starts at 10:00 a.m. You may bring your spouse to this Meeting.

Yours sincerely,

The Board of Trustees,

SHEET METAL WORKERS LOCAL UNION 30 BENEFIT TRUST FUNDS

M. Bloom
R. Collie
J. Jackson
G. May
A. E. White
P. Witruk

THE PENSION 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 maintain Registered Status. Based on the draft unaudited financial statements of the Fund, the following reflects the Fund's financial position as at December 31, 2009.

During 2009, the Pension Fund:

Received:

Contributions	$14,497,234
Interest and Dividends	6,769,742
Net Realized Capital Loss	(2,095,656)
Net Unrealized Capital Gains	35,007,748
GST Rebate	39,000
	$54,218,068

Disbursed:

Benefits	$15,573,456
Consulting, Actuarial	151,628
Administration	84,198
Audit	14,700
Legal	20,580
Investment Management/Advisory	1,033,616
Custodial	81,475
Trustees and Membership Meetings	24,561
Trustees Education	13,041
Printing, and Stationery	19,876
Telephone, Postage and Courier	11,200
Government Registration Fee	20,376
Trustees and Trust Fund Insurance	11,078
Miscellaneous	3,423
	$17,063,208
	$37,154,860

Net Assets at the beginning of the Year	$247,560,151
Gain for the Year	37,154,860
Net Assets at the end of the Year	$284,715,011

At December 31, 2009 the Net Assets of the Pension Fund were represented by:

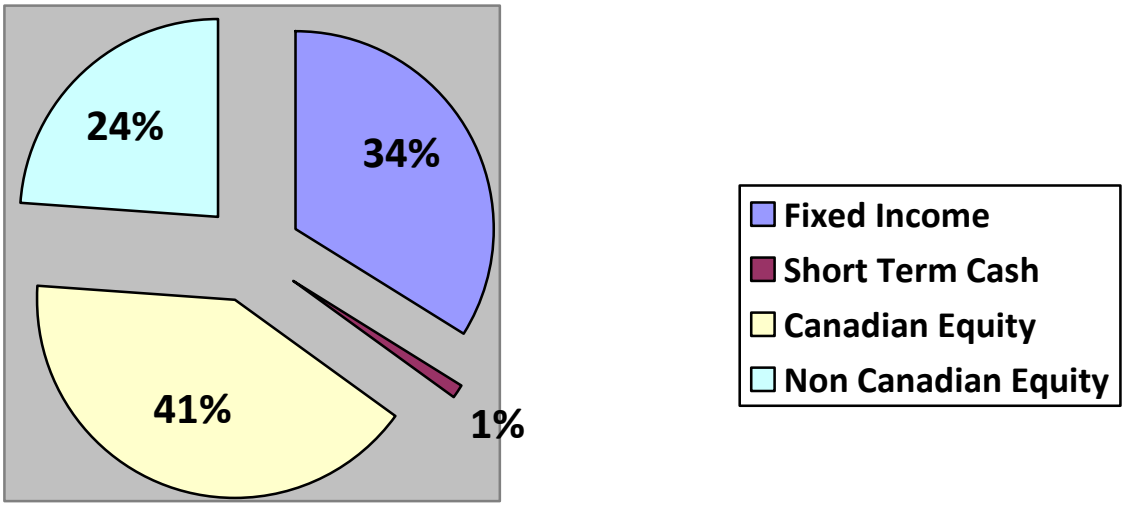
Cash (on hand or in transit, less accounts payable)	$4,117,012
Interest and Dividends earned, but not received by December 31st	32,767
Short-Term Notes, Bonds and Mortgages	98,197,832
Stocks	182,367,400
	$284,715,011

Short-Term Notes, Bonds, Mortgages and Stocks (equities) are reported at Market Value - that is, the closing price of these Securities on the last trading day in 2009.

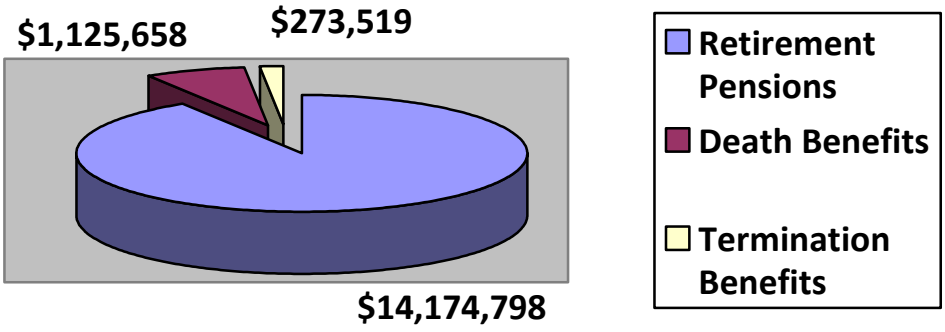
At year end, the Fund had $284.7 Million in Net Assets.

The Fund's Investments had a market value of $280,565,232 invested in Canadian Equities, Canadian Bonds, Non-Canadian Equities, Hedge Funds with absolute return strategies, Futures and Cash as shown in the chart below.

The Asset Mix of the Pension Fund - December 31, 2009



During 2009, the Pension Fund paid $15.6 Million in Benefits to Plan Members and their Beneficiaries.



PENSION PLAN STATISTICS

Our Pension Plan is a Specified Ontario Multi-Employer Pension Plan. Pension legislation in Ontario excludes all Multi-Employer Pension Plans from any protection provided by the Pension Benefits Guarantee Fund. The Pension Plan's special status as a Specified Ontario Multi-Employer Pension Plan means that the Plan has received approval from the pension regulator to not fund the Plan on the basis of solvency for a fixed period of time.

In order to conform with the *Pension Benefits Act*, Ontario an Actuarial Valuation of the Pension Plan must be completed at least every three years. The purpose of that Valuation is to compare the Assets of the Plan with its Liabilities 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 Hourly Contribution to the Plan is 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 these 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 Termination Members earned to that date.

  When completing a Solvency Valuation the Actuary must use Actuarial Assumptions prescribed in the Regulations to the Ontario *Pension Benefits Act.* Ontario is the only Province that requires Solvency Valuations to include an additional Actuarial Liability, known as "Grow-In

Rights". These "Grow-In Rights" require that for any Member, for whom the sum of the Member's age and Years of Membership in the Plan totals 55 or more, the Solvency Value of the Member's wind-up Benefit must be based upon the most advantageous Enhanced Early Retirement Date assuming that Plan Membership, if applicable, would have continued or "grown-in" to that date. This significantly increases the liabilities of a plan.

The Trustees, along with the trustees of other Multi-Employer Pension Plans, protested the requirement for Solvency Valuations. Several special commissions on pensions, including Ontario's Expert Commission on Pensions, endorse that multi-employer pension plans should not be subject to Solvency Valuation. To date, pension law has not changed except to allow a temporary hiatus for pension plans like ours.

The most recent Actuarial Valuation was completed at September 30, 2007, the essence of which is:

	Going Concern	Solvency
Actuarial Assets	$301,144,661	$296,953,295
Actuarial Liabilities	259,492,186	344,412,158
Actuarial Surplus (Deficiency)	$ 41,652,475	$ (47,658,863)

The Valuation showed the following:

- The Normal Actuarial Cost of Pensions being earned by the Active Membership is less than the Average Hourly Contribution. This can be seen in the following Table:

Average Hourly Contribution:	$5.73
Hourly Normal Actuarial Cost:	$5.01
Actuarial Hourly Surplus:	$0.72

The excess of Average Hourly Contribution over Average Hourly Actuarial Cost increased from $0.63 measured at the previous Valuation.

In the late 1980s, when there was widespread unemployment in Local Union 30, the average Attained Age of the Active Membership increased, as younger Members lost their jobs. The result was that older Members who continued working increased the Actuarial Cost of the Plan, simply because the Pension Plan would have their Contributions for a shorter period of time before their retirement, than if those Contributions were being earned by younger Members. This trend started to reverse in 2006.

- The Actuarial Liabilities in the Solvency Valuation are $84,919,972 greater than the Actuarial Liabilities of the Going Concern Valuation. This difference arises from the following two factors:

  - Additional accrued liability in respect of the operation of the Enhanced Early Retirement "Windows". The Window was closed April 30, 2009.

  - The Actuarial Investment Return Assumption in the Going Concern Valuation is 6.75% compounded annually, net of Expenses incurred to earn that Return (Investment Management and Custodial Fees).

    In the Solvency Valuation, the Investment Return Assumption is legislated by the Ontario Government, and in this Valuation was 4.75% for 10 years, 5.0% thereafter on Liabilities for Members who have not yet retired, and 4.75% for Retirees.

    Interest rates in Canada are 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 September 30, 2007 Valuation are:

- There were 1,550 Active, 1,190 Inactive and Terminated Vested Members, as well as 44 Spouses of deceased Members entitled to a Pension when they reach Age 63, or earlier if they prefer.
- The average age of the Active Members is 43.2 years.
- There were 1,064 Retired Members in the following age brackets:

Age	Number of Members
Under Age 55	20
Age 55 - 59	41
Age 60 - 64	178
Age 65 - 69	301
Age 70 - 74	230
Age 75 - 79	167
Age 80 - 84	84
Age 85 - 89	27
Age 90 and over	16

- There were 283 surviving Spouses or other Beneficiaries of deceased Members in receipt of a Pension.

- As expected the Plan's Going Concern funded position improved at September 30, 2007, mainly because the Fund's investments earned more than the Investment Return Assumption of 6.75%. The effective rate of return over the period October 1, 2004 to September 30, 2007 was 10.35%.

The Valuation was approved at a special Board Meeting held April 10, 2008 and the Valuation Report, along with the application for Solvency Relief, was subsequently filed with the Financial Services Commission of Ontario. As part of the application process, Members along with Employers, and Local Union 30 were notified in writing.

On April 29, 2008, the Financial Services Commission of Ontario (FSCO) recognized that the Pension Plan is a Specified Ontario Multi-Employer Pension Plan (SOMEPP).

As at December 31, 2009 1,442 persons were in receipt of a Monthly Pension, and the Total Monthly Pension Pay-out was $1,199,148.59. There was an increase of 44 persons in receipt of a Monthly Pension and a year over year increase of $85,211.16 in the Total Monthly Pension Pay-out when compared to December, 2008.

A new Actuarial Valuation will be prepared as at September 30, 2010.

RECENT AMENDMENTS TO THE PENSION PLAN

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

In order to meet the Solvency funding requirements of the pension regulators, the Trustees resolved to amend the Pension Plan effective May 1, 2005 to eliminate any provision in the Plan wherein a Member could retire in advance of Age 63, and receive an unreduced Pension. Before that date, a Member could retire before his 63rd birthday and receive an unreduced Pension if he was a Member in Good Standing, Local Union 30 and:

- was at least Age 56, and had completed 30 Years Membership in Local Union 30, or Local Union 30 and any other Local Union of the Sheet Metal Workers International Association; or
- was at least Age 60; or
- any age, if he was totally and permanently disabled.

Effective May, 2006 the rate of monthly Future Service Pension was decreased to one-twelfth of 20.0% of Contributions.

The Solvency Valuation as at September 30, 2007 showed that the Plan did not have sufficient assets to fund the benefits calculated on the solvency basis. The Plan did have a Going Concern Surplus.

In Ontario pension law, there is a provision for pension plans like ours to apply for special solvency protection. 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 further action would be required to address the current Solvency Deficiency.

On April 29, 2008, FSCO acknowledged that the Pension Plan is a Specified Ontario Multi-Employer Plan (SOMEPP).

Every year, since 2005 when the Trustees amended the Plan to provide an early unreduced pension opportunity, the Trustees had the responsibility of evaluating whether it was possible to keep the Enhanced Early Retirement "Window" open.

During 2007 (which is now the period recognized as the commencement of the worst global recession since the 1930's) the Plan's assets diminished in value. While it was understood that the diminution in the value of the Plan's assets was temporary, the Trustees could not be certain of the timing, or degree, of investment market recovery. Because the Trustees must keep the Plan funded in compliance with pension legislation and this compliance would not be achieved if

the Window was in place, the Early Unreduced Pension Window was closed April 30, 2009.

Plan Members were sent a written notice, in February 2009, to confirm that the Enhanced Early Retirement Window would be closed April 30, 2009. Members who were eligible to apply for the Window benefit were required to file their retirement application by the end of March 2009. Pensions must have commenced no later than April 1, 2009.

The "Window" will remain closed until the financial position of the Pension Plan improves enough for the Trustees to be confident that there is sufficient funding available to support the Benefit. The Plan's Actuary must be prepared to certify that this funding is available and that the Plan will remain compliant with pension legislation. The pension plan regulator must also approve a re-opening of the Window. There are no plans to re-open the Window at this time.

The Plan's Normal Form of Pension was not impacted by the closure of the Window. Every person who is a Pension Plan Member, either Active or Terminated Deferred Vested, is entitled to receive an unreduced Monthly Pension upon retirement on or after his/her 63rd birthday, which is the Normal Retirement Age of the Pension Plan.

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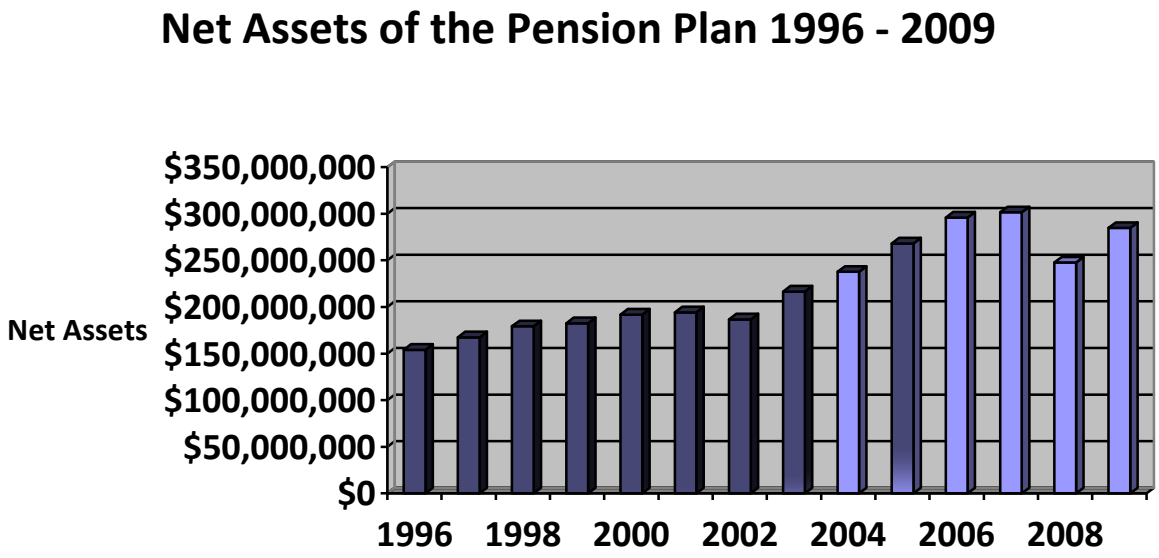
PENSION FUND INVESTMENTS

The Assets of the Pension Fund are invested by three professional Investment Managers retained by the Trustees. These Managers are each allocated a part of the Fund, and invest in Canadian and non-Canadian Equities, Bonds, Mortgages and Short Term Cash Securities such as Government of Canada Treasury Bills. Four times each year, the Trustees conduct a dedicated Pension Fund Investment Meeting, attended by the Investment Managers, in order to monitor the results obtained by each Manager, as well as the progress of the Total Fund. In 2009 the Trustees retained Eckler Ltd. for the role of investment consultant.

The following Graph illustrates the changes in the Net Assets of the Pension Fund over the last 14 years. "Net Assets" means the sum of the Fund's Short Term Notes, Stocks, Mortgages and Bonds (stated at their December 31st Market Value), plus Cash, 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 Liabilities of the Pension Plan in respect of accrued Pensions and Pensions-in-pay are not included in Net Assets.



1996	$154,071,314	2001	$194,310,801	2006	$295,850,850
1997	$167,368,692	2002	$186,607,555	2007	$301,526,568
1998	$179,320,615	2003	$216,478,816	2008	$247,560,151
1999	$182,544,435	2004	$237,715,716	2009	$284,715,011
2000	$191,897,412	2005	$268,020,927		

- During 2009, the Rate of Return of the Pension Fund's Assets invested in the Stock, Bond, Mortgage and Money Market Funds was 16.28%. The average Canadian pension fund earned approximately 16.17% in 2009. Quite a swing compared to the loss of 17.91% of 2008. During the five years ended December 31, 2009 the Fund's Compound Annual Rate of Return was 4.41%. The market losses of 2008 will impact on the compound annual rate of return for many years to come. The Plan benefitted from the use of active investment managers during 2009. Active investment management earned the Plan an additional 1.9% over what would have been earned if the Trustees had simply invested in the passive market indices.

  During 2009, the Trustees utilized the services of RBC Dexia Investor Services, a professional comparative measurement service, to compare the relative investment performance of hundreds of Canadian pension funds which, like our Fund, invest in the Capital Markets. This service shows how our investment returns fared in comparison with the other Canadian pension funds included in the RBC Dexia universe. Commencing in 2010 the Trustees have retained Eckler Ltd. to provide this service to the Fund, along with a range of other investment consulting services.

- For the five years ended December 31, 2009, our Fund ranked at the 68th percentile, and at the 42nd percentile for the year ended December 31, 2009, of all Canadian pension funds in the Eckler Ltd. universe.

- 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. During 2009 the Pension Fund's Statement of Investment Policies and Procedures established a target asset mix of 60% in (Equity) Stocks and 40% in Fixed Income Securities. The Policy is reviewed annually and amended as necessary.

- An Asset Liability Study, the third such study, was undertaken at the request of the Trustees. An Asset Liability Study determines whether the Plan could improve upon its funding level and diversify itself further to reduce its volatility and to provide greater confidence that the Pension Plan's Benefits, which are target benefits (ie they are <u>not</u> guaranteed) will be provided.

- The results of the Study were reviewed by the Trustees at their Investment Review Meeting of February 17, 2009. The Study, performed by SEI Investments, recommended that the Pension Plan maintain its current asset mix of 60% Equity/40% Fixed Income. SEI also recommended that the Trustees remain with a Long Bond position while solvency rules are in

place, and add a Hedge Fund for some portion of exposure to the United States market. SEI reviewed the expectations for nominal rates of return over the next 10 years and remarked that, using a 60% Equity/40% Fixed Income mix, the Fund could expect a return of over 7.2%.

- During the later part of 2009, SEI amended the recommendation of allocating assets to a Long Bond position due to concerns about rising interest rates. The Trustees reviewed the recommendation and, after conducting their due diligence, agreed to take assets out of the Long Bond position and to reallocate these assets into bonds with a shorter term to maturity, thus protecting the Pension Plan from shifts in interest rates.

The economic crisis seemed to have subsided during 2009 and investment markets had a grand recovery. However – the losses of 2008 are still at top of mind and the Trustees will continue their work to protect the target Benefits in the Plan to the greatest extent possible.

RECENT CHANGES TO LEGISLATION BEARING ON THE PENSION PLAN

THE ONTARIO PENSION BENEFITS ACT

- Ontario's amended *Pension Benefits Act* was proclaimed effective January 1, 1988, and all Pension Plans registered in Ontario were required to meet the standards of the new Act. Our Plan was changed on that date so that Pensions earned on/after January 1, 1987 were vested for Members who terminated with at least Two Years Plan Membership.

- Survivor Pensions also became mandatory, such that when a Member with a Spouse retires, the Pension must be paid as a "Joint and Survivor" Pension (unless the Spouse waives this right). This provision allows the surviving Spouse to receive a lifetime Pension of at least 60% of the Member's Pension following the Member's death. The Joint and Survivor Pension does not apply if the Member and the Spouse are living separate and apart on the date Pension payments commence. Since our Plan provided 50% continuation, Members with Spouses had to take a reduction in their Pension to meet the new Law.

- Pre-Retirement Death Benefits had to be provided for all Vested Members.

- All Members younger than Age 53, who terminated in the Plan with a Vested Right to a Pension, became entitled to transfer the Commuted Value of their

Accrued Pension to another Plan, such as a Locked-in Registered Retirement Savings Plan.

- The Pension being paid to a deceased Member's Spouse must be continued for her/his remaining lifetime, and could not be terminated upon remarriage.

- Bill 27 which received Royal Assent on December 22, 1999 required pension plans to adopt a Statement of Investment Policies and Procedures in relation to the investment of the pension plan assets.

- An amendment to the Ontario *Pension Benefits Act* came into force on June 13, 2005 as a result of *Spousal Relationship Statute Law Amendment Act*, 2005 (Bill 171). This Bill resulted in a change to the definition of the term "spouse" to include "two persons" in place of "a man and woman", to accommodate the legalization of same sex marriage in addition to same sex common law partnerships. The term "same sex" partner has been removed from the Ontario *Pension Benefits Act*.

- On August 24, 2007, a new Regulation under the *Pension Benefits Act* was announced. The Regulation made changes to the funding rules for multi-employer pension plans like this Plan.

  The key changes were:

  (a) introduction of temporary solvency funding relief for Specified Ontario Multi-Employer Pension Plans (SOMEPPS)

  (b) clarification of the funding requirements for multi-employer pension plans.

  In order to take advantage of the new funding relief, the Pension Plan made an Election under the *Pension Benefits* Act. On April 29, 2008, the Financial Services Commission of Ontario (FSCO) acknowledged that the Pension Plan is a Specified Ontario Multi-Employer Pension Plan (SOMEPP).

- As this Annual Report is written the Ontario Government has released Bill 236 which, if passed, will provide for certain changes to pension legislation such as:

  - Immediate vesting
  - Statements for retired and terminated members
  - The ability of pension committees to form and interact with the sponsors of a pension plan

  Legislation covering the funding of pension plans has not been released and is expected during Spring, 2010.

THE INCOME TAX ACT, CANADA

Starting with the T-4 you received for 1990, your Employers were required to show on that Tax Slip an amount known as the Pension Adjustment, or your "PA".

The amount of your PA is the sum of contributions made to, or the benefit deemed to have been earned under, a registered pension plan or plans during the year covered by the T-4. For the 2010 taxation year, you may make a contribution to your own RRSP as follows: determine your 2009 Total Employment Income, add any CPP/QPP disability pension benefits you received, then take 18% of that amount, subtract your 2009 PA.

The result of this calculation is the amount you may contribute to your own RRSP for 2010, up to a Maximum RRSP Contribution of $22,000. You have until March 1, 2011, to make that Contribution, and take the deduction on your 2010 Personal Income Tax Return. If you don't make the RRSP contribution by that deadline date, or didn't contribute as much as you could, then you may carry forward any unused RRSP Contribution Room to any future year.

Effective January 1, 2007, the age limit for commencement of a pension benefit was increased to the end of the year in which the plan member turns age 71, from age 69. The same extension was given for those who are saving for retirement in an RRSP – they can also wait until the end of the year in which they turn age 71 to commence withdrawals from the RRSP, or to make a transfer to a Life Income Fund or other registered vehicle.

Income splitting was made possible. Income splitting may result in lower taxes. Income that qualifies for the pension income tax credit may be split. In order for you to be eligible to split income, you as a pensioner and your spouse must agree to reallocate income by completing form T2032, the joint election to split pension income form. This form would be attached to each of your income tax returns.

On December 14, 2008, the federal government adopted legislation allowing federally-registered employers to offer phased retirement. Phased retirement lets an employee enter into a written agreement with an employer, and accrue a pension benefit during the phased retirement period while the employee receives a maximum of 60% of his accrued lifetime pension and/or any bridge benefits payable under the plan. Pension plans are not required by law to provide for phased retirement.

Effective January 1, 2009, Canadians can save additional amounts for retirement in a Tax-Free Savings Account (TFSA). The TFSA allows yearly contributions to a maximum of $5,000. TFSA contributions are neither tax deductible nor subject to tax upon withdrawal. Investment

income and capital gains earned from the TFSA are non taxable. Unused TFSA room is able to be carried forward.

- ***2010 Federal Budget***

  The 2010 Federal Budget was a recessionary budget in that it delivered nothing new in the way of tax deductions. The Government has promised renewed investment in order to stimulate the economy out of recession. No announcements were made in respect of pension plans however, in mid-March 2010 the Federal Government announced that it would hold consultations on pensions.

- ***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 will increase the non-Benefit costs of the Fund by about 8% or $116,000 per year.

- ***Workers' Compensation Act*, Ontario**

  Effective January 2, 1990, The *Workers Compensation Act*, Ontario, was amended, by Bill 162, so as to require the continuation of life insurance, health benefits and pension benefits to employees who suffered a work-related disability on or after that date, and who are in receipt of Workers' Compensation. Those benefits continue as long as the employee is in receipt of Workers' Compensation, up to a maximum of one year.

  Bill 162 required that Employer Contributions to the Sheet Metal Workers Local Union 30 Welfare and Pension Funds continue on account of such disabilities that occurred on/before December 31, 1991. The Act required that the Trustees amend the Rules of our Plans so as to take on that responsibility without any further Employer Contributions, as it respects work-related disabilities that occur on or after January 1, 1992.

  This legislation has been renamed the *Workplace Safety and Insurance Act.*

- ***Employment Standards Act*, Ontario**

  The *Employment Standards Act*, Ontario was amended in December, 1990 as it respects the continuation of life, health and pension benefits for employees who are absent from work on an Approved Pregnancy Leave of Absence and/or Parental Leave. This Act requires your Employer to continue Contributions to the Sheet Metal Workers Local Union 30 Pension and Welfare Trust Funds during those Leaves. An employee who is the natural mother of a child, is entitled to a maximum 17-week

Pregnancy Leave of Absence plus an additional 18 week Parental Leave provided that it immediately follows the Pregnancy Leave. In the case of an adoptive mother, or a natural or adoptive father, the Act provides for an 18-week Parental Leave.

The Act was further amended, in 2001, to increase Parental Leave from 18 weeks to 35 weeks for employees who take Pregnancy Leave, or 37 weeks for those who do not.

Provided that your Employer continues Contributions to the Funds during these Leaves, your Pension Benefit will continue to grow just as if you were working.

Provincial and federal legislation (such as Ontario's *Employment Standards Act*), bars discrimination on account of sexual orientation. The Financial Services Commission of Ontario announced in 1999 that sponsors of all pension plans registered in Ontario would have to conform by amending their plans, and further that if the sponsor did not amend the plan the Commission would deem the plan to have been amended.

Federal legislation was amended in July 2005 with the assent of the *Marriage for Civil Purposes Act* so that federal Legislation no longer conflicted with provincial laws.

The Trustees amended the Pension Plan so as to conform with the laws.

- ***Personal Information Protection and Electronic Document* Act *("PIPEDA")***

Federal privacy legislation came into force January 1, 2004 and directly impacts all registered pension plans. The purpose of *PIPEDA* is to oversee the collection, use and disclosure of personal information by organizations, including registered pension plans, in a manner that recognizes both the right of an individual to have his/her personal information protected and the need of organizations to collect, use or disclose personal information for purposes that are reasonable. The privacy legislation is reviewed by the government every five years.

The Trustees have adopted a Privacy Policy to protect the personal information of the Plans' Members.

- ***Human Rights Code***

In December 2005 the Ontario *Human Rights Code* was amended in order to prohibit mandatory retirement. This protected employees aged 65 or more from being forced to retire, except in those cases where it could be justified as a "*bona fide*" occupational requirement which is an employment requirement or qualification that is necessary because of the nature of the employment. These will continue to be permitted under the *Human Rights Code*.

Mandatory retirement at age 65 or older ended December 12, 2006.

Age-based provisions in the *Workplace Safety and Insurance Act, 1997* will be exempt from the prohibition against age discrimination in employment and in the provision of services. Entitlements under the *Workplace Safety and Insurance Act, 1997*, and its regulations and policies continue to apply and will not change. Government provided benefits which assume retirement at age 65, will also continue unchanged.

- ***Other Developments Affecting Our Pension Plan***

  In February, 2005 the Canadian Institute of Actuaries (CIA) updated its Standard of Practice for Determining Pension Commuted Values. This Standard is used to calculate the commuted value to be paid from a pension plan registered under Provincial or Federal pension legislation. A commuted value is the lump sum value of an immediate or deferred pension. This updated standard replaced the standard that had been in place since 1993. The new standard takes into account the considerable changes in the financial markets, job mobility, mortality rates and other important factors which affect pension valuations.

  An updated standard became effective April 1, 2009 and reduced the amount a pension plan must pay upon the termination of pension plan membership or the payment of a lump sum death benefit.

- **Retrocom Growth Fund**

  In 1996, the Trustees purchased one Class "C" Share in Retrocom Growth Fund Inc. Retrocom is a labour-sponsored venture capital fund specializing in construction projects that exclusively employ union tradesmen. The purchase price of that Share was $1 Million in return for which the Pension Trust Fund received 100,652.226 Units of Retrocom's Growth Fund.

  In February, 2003 the Trustees decided to redeem the Share for Cash and, in accordance with Retrocom's Prospectus, the Trustees gave Retrocom the required two years' written Notice; hence, Retrocom was expected to pay the Pension Trust Fund the Nominal Asset Value of these Units at February 28, 2005.

  Because the Fund did not receive its requested withdrawal from Retrocom, the Trustees filed a Lawsuit against Retrocom in July, 2005. Subsequently, two other pension trust funds filed similar Lawsuits against Retrocom.

  In early-2006, Retrocom announced that it had insufficient Cash to honour requests for redemption, that it would suspend taking Deposits, and that it had obtained the services of a firm to assist Retrocom in the reorganization of its business, which might include the disposal of some of its Assets, or a merger with another organization, or a wind-up of its business.

The Trustees will continue with their Claim under the guidance of Legal Counsel. In order to take the most conservative approach possible, the investment in Retrocom has been given a market value of zero.

No new developments took place on this matter during 2009.

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 work for an Employer making Contributions to the Pension Fund or by the amount of Contributions paid to the Fund on your behalf. The amount of Benefit finally paid is subject to the funding status of the Pension Plan. The Trustees must keep the Plan compliant with relevant legislation at all times. No Pension Benefits paid, or payable, by the Plan are guaranteed. Benefits can be increased, or decreased.

Each 1,680 Contributory Hours is called a "Year of Credited Service". If the number of hours worked in any calendar year was more, or less, than 1,680, the amount of Monthly Pension was increased, or decreased, to exactly reflect the number of hours worked. 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.

Each year by June 30th, you will receive an Annual Pension Statement disclosing the amount of Monthly Pension you earned to the prior December 31st. The amount of Monthly Pension depends upon the Rate of Hourly Contribution, which varies by Member Classification. The Monthly Pension you earned is set out below, by Classification:

TORONTO AREA JOURNEYMEN

- $5.00 per month for each Year of Credited Past Service prior to January 1, 1959;
- $18.60 per month for each Year of Credited Service from January 1, 1959 to December 31, 1980, or $21.10 per month for such credited service if contributions were made on behalf of the member between January 1, 1984 and May 31, 1985;
- $30.60 per month for each Year of Credited Service from January 1, 1981 to December 31, 1984;

- $39.30 per month for each Year of Credited Service from January 1, 1985 to December 31, 1986;
- $68.00 per month for each Year of Credited Service from January 1, 1987 to December 31, 1988;
- $66.00 per month for each Year of Credited Service from January 1, 1989 to April 30, 1993;
- $75.00 per month for each Year of Credited Service from May 1, 1993 to May 31, 1995;
- $81.00 per month per Year of Credited Service from June 1, 1995 to April 30, 1996;
- $88.00 per month per Year of Credited Service from May 1, 1996 to April 30, 1997; and
- $96.00 per month per Year of Credited Service from May 1, 1997 to December 31, 1998.

TORONTO AREA THIRD YEAR APPRENTICES

- $45.00 per Year of Credited Service from June 1, 1995 to December 31, 1998.

FOURTH YEAR APPRENTICES/MATERIAL HANDLERS

- $52.50 per Year of Credited Service from June 1, 1995 to December 31, 1998.

FIFTH YEAR APPRENTICES/SHEETER ASSISTANTS

- $60.00 per month per Year of Credited Service from June 1, 1995 to December 31, 1998.

BARRIE AREA MEMBERS

- $32.52 per Year of Credited Service from January 1, 1998 to December 31, 1998.

Effective January 1, 1999, the amount of Pension earned is calculated based on a percentage of Earned Contributions, in accordance with the following table:

Period Contributions Earned	Annual Pension Benefit
January 1, 1999 – April 30, 2001	25.51% of Contributions
May 1, 2001 – April 30, 2003	24.12% of Contributions
May 1, 2003 – April 30, 2004	23% of Contributions
May 1, 2004 – April 30, 2006	21% of Contributions
May 1, 2006 onward	20% of Contributions

The amount of Monthly Pension is payable to you when you reach Age 63 for as long as you live.

If you have a Spouse upon your retirement and that Spouse does not waive her/his right to a Joint and Survivor Pension, and you die before that Spouse, 60% of the amount paid to you will continue to that Spouse for her/his remaining lifetime.

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.

You do not have to wait until you are Age 63 to receive your 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 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. For example, if you retire at your Age 53 - that is, the earliest date on which you can receive a Retirement Pension - you will have retired 10 Years in advance of your Age 63, and the amount of Monthly Pension you earned and which is payable in full at your Age 63 will be reduced by 60%.

The Pension Plan's Window for Enhanced Early Retirement features remained in effect for eligible Members who retired on or before April 1, 2009. The Enhanced Early Retirement Window closed indefinitely for Pensions which commenced after April 1, 2009.

WHERE WE'VE BEEN: HISTORY OF THE PENSION PLAN

When the Pension Plan was started on January 1, 1959, the Trustees were R.H. Bullock, H. Choma, J.A. Donnelly, J.F.C. Heather, H.W. Rogers and C.M. Switzer. At that time, the Hourly Wage Rate earned by a Local Union 30 Journeyman was $2.80, and there was a $0.10 Hourly Contribution to the Welfare Plan, which had started in 1956. The Contribution to the Welfare Plan was reduced to $0.055, and the remaining $0.045 was allocated to starting the Pension Plan. The Welfare Trust Fund also transferred $50,000 to the Pension Trust Fund to help get it started. In the beginning all Monthly Pensions were calculated on Credited Service - the number of hours a Member worked with a Contributing Employer and for which Contributions were received by the Trust Fund. The Current Service Monthly Pension was based upon 1,680 contributory hours (a Year of Credited Service), and if a Member worked more or less than 1,680 hours in any Year, the Monthly Pension was proportionately more, or less, as the case may be.

The Original Plan provided that the Current Service Monthly Pension was $1.46, and for each eligible Year a Past Service Monthly Pension of $1.46 was granted to Members of the Plan to the Member's Date of Initiation into Local Union 30, or the Member's 45th birthday, whichever was later. Pensions were paid in full upon retirement at Age 65 provided the retiring Member had a least 10 Years' Plan Membership. If not, full Pensions were not payable until 10 Years' Membership was achieved. For example, a Member who joined the Plan at Age 60 received a full Pension at Age 70. The Plan provided Disability Pensions, as well as Early Retirement at Age 50 if the Member had at least 15 Years of Credited Service, and in these cases the Pension was reduced to its actuarial equivalent. Members who terminated in the Plan prior to retirement were entitled to receive 50% of their earned Pension if they had at least 10 Years of Credited Service, rising by 5% for each additional Year, so that Members who terminated with at least 20 Years of Credited Service were fully Vested. The amount of Pension Payable to the retiring Member continued for the remainder of his lifetime; other Options were available (such as Guarantee periods and Survivor Pensions), which the Member could select in return for a reduction in Monthly Pension.

An Actuarial Valuation of the Plan was completed at the end of 1959, which showed 1,279 Active Members and 15 Retirees. These Retirees were receiving Average Monthly Pensions of $29.82 which, of course, was mostly their Past Service Pension. The Assets of the Pension Plan were $118,672, and the Plan had an Unfunded Liability of $247,565 which the Trustees planned to pay off over 17 years.

After that:

1962 Hourly Contributions increased to $0.075, and Current Service Monthly Pension increased to $2.60 for service on/after October 1, 1962.

1963 Pensions of Active Members and Retirees increased by 15%.

1964 Current Service Monthly Pension increased to $3.00 for service on/after January 1, 1964.

1967 Hourly Contributions increased to $0.125. Current Service Monthly Pension increased to $6.00 for service on/after January 1, 1967. Pensioners who retired prior to January 1, 1968 were granted a Minimum Monthly Pension of $50, and Members who retired on/after that date were granted the same Minimum Monthly Pension provided they had at least 10 Years' Credited Service. Vesting Rule changed from Original Rule to completion of 10 Years of Credited Service and attainment of Age 45, if earlier than Original, in order to conform with The *Pension Benefits Act,* Ontario.

1970 Current Service Monthly Pensions increased to $3.25, retroactive to January 1, 1959 through December 31, 1966, and $6.25 for Pensions earned on/after January 1, 1967. Minimum Monthly Pensions for Retirees increased to $75, with the same Minimum for future Retirees who had at least 10 Years' Credited Service.

1971 Plan amended to add a Death Benefit, so that the Surviving Spouse of a Member who died before retirement would receive 50% of the deceased Member's Earned Pension at Age 65 and continued until death or earlier remarriage; if the Member died after retirement, the Surviving Spouse immediately received 50% of the Monthly Pension, terminating upon death, or earlier remarriage.

1972 Hourly Contribution increased to $0.325. Current Service Monthly Pension increased to $11.50, retroactive to January 1, 1959 for Active and Retired Members.

1974 Vesting Rule lowered, such that Terminated Members were Vested if they had at least five Years' Credited Service.

1975 Vesting Rule amended so that Terminated Members were fully Vested if, upon termination, they had at least five calendar years' Membership in Local Union 30. Members who terminated without vesting would receive a Refund equal to 50% of the Contributions received by the Trust Fund (previously, there was no Refund). Trustees agreed to enter into Pension Reciprocal Transfer Agreement with other Sheet Metal Workers Pension Plans, so that any Member transferring to another Plan, which is Party to the Agreement, would be Vested in this Plan, regardless of length of Membership. Agreement contains other benefits to the Membership, whether transferring in or out of Local Union 30.

1976 Hourly Contribution increased to $0.525. Current Service Monthly Pension increased to $13.50, retroactive to January 1, 1959. Normal Retirement Age reduced to 63, with no reduction in previously-earned Monthly Pension.

1980 Hourly Contribution increased to $0.775. Current Service Monthly Pension increased to $16.60, retroactive to January 1, 1959 through December 31, 1980.

1981 Hourly Contributions increased to $1.025. Current Service Monthly Pension increased to $28.60, for Pensions earned on/after January 1, 1981. Pensions paid to Members in Good Standing of Local Union 30, and Surviving Spouses, increased by 20% across-the-board.

1983 Hourly Contributions increased to $1.075. All Retired Members in Good Standing, Local Union 30, granted across-the-board increase of $25 in Monthly Pension.

1985 Hourly Contribution increased to $1.675. Current Service Monthly Pension earned January 1, 1959 through December 31, 1980 increased from $16.60 to $19.10, provided that Member worked for a Contributing Employer between January 1, 1984 and May 31, 1985. Current Service Monthly Pension increased to $37.30, for Credited Service on/after January 1, 1985. Members in Good Standing, Local Union 30, could retire on an unreduced Pension as early as Age 60, provided that the Member has fully retired from any employment activity connected with the Sheet Metal Industry. Retired Members in Good Standing, Local Union 30, granted an across-the-board increase of $36 in Monthly Pension, $18 to Surviving Spouses.

1988 In order to comply with Ontario's new *Pension Benefits Act*, the Plan was amended in several areas, including: Two Years Plan Membership Vesting, for Pensions earned on/after January 1, 1987; mandatory Survivor Pensions for retiring Members with a Spouse; portability of Pensions, so that Terminated Vested Members could transfer the Commuted Value of their Earned Pension to an approved Plan, such as a Locked-in RRSP; Pensions-in-pay to Surviving Spouses were be continued until death; Death Benefits must be provided to all Vested Members who die before retirement.

1989 Substantial Improvements to the Plan were implemented as follows:

- The Form of Accrued Monthly Pension of all Pension Plan Members who had not yet retired (including Active, Inactive and Terminated Deferred Vested Members) which was heretofore expressed as "50% Spousal" was changed to "60% Spousal", such that the Pension would continue for the lifetime of the Retired Member and, upon the Member's death, 60% would be continued for the remaining lifetime of the Surviving Spouse. If the retiring Member did not have a Spouse, or the Spouse "signed off" her/his right to a Survivor Pension, then the Pension was payable for the remaining lifetime of the Retired Member with the proviso that, if the Retired Member dies before having received 120 payments of Monthly Pension, the remaining balance was paid to the Member's named Beneficiary.

- Any Member who retired on/after January 1, 1988, and whose Pension was reduced in order to conform with the Act with respect to Surviving Spousal Pension, had that Pension increased retroactive to the later of January 1, 1988 or date retired, such that the reduction was eliminated.

- Effective with Pensions earned on/after January 1, 1987, the Current Service Monthly Pension was increased from $37.30 to $66.00.

- The Accrued Monthly Pensions of all Plan Members who had not yet retired (including Active, Inactive and Terminated Deferred Vested) were increased by a flat $2.00 per month per Year of Credited Service up to December 31, 1988.

- Retroactive to January 1, 1988, the Monthly Pension of Retired Members was increased by the above-mentioned $2.00, or $1.20 with respect to Surviving Spouses.

1990 There were no changes to the Pension Plan.

1991 There were no changes to the Pension Plan.

1992 There were no changes to the Pension Plan.

1993 Hourly Contribution increased to $2.095.

Every person, who was in receipt of a Pension for the month of July, 1993, received a permanent 7% across-the-board increase in that Pension. Members in Good Standing of Local Union 30, who were at least Age 60 on December 1, 1993 and who retired such that their Monthly Pension started not later than December 1, 1993, were also granted the above-stated 7% increase in Monthly Pension.

Members in Good Standing of Local Union 30, who retired in advance of Age 60, had a reduction of 1/2% per month for each month of retirement in advance of Age 63. This reduction was applied only up to Age 60 for such persons; but the reduction was still applied to Age 63 for persons who were not Members in Good Standing of Local Union 30.

The previously-mentioned “30 and out” enhancement was implemented for long-service Members in Good Standing of Local Union 30 who retired at or after Age 53.

1994 There were no changes to the Pension Plan.

1995 A Membership Meeting was held in March, 1995 at which the Members considered certain Pension Plan Improvements. The Members approved an increase in the Hourly Contribution of 21¢ effective with hours worked on/after June 1, 1995, a further 23¢ effective May 1, 1996, and a further 25.5¢ effective May 1, 1997, such that the Pension Plan Hourly Contribution increased in three stages from $2.095 to $2.79 effective with hours worked on/after May 1, 1997. The Current Service Monthly Pension increased effective June 1, 1995 from $75 to $81 per Year of Credited

Service, from $81 to $88 effective May 1, 1996, and from $88 to $96 effective May 1, 1997.

The Members also approved extending eligibility in the Pension Plan to certain Apprentices, Material Handlers and Sheeter Assistants. Effective June 1, 1995 Third Year Apprentices earned a Monthly Pension of $45 per Year of Credited Service in return for an Hourly Contribution of $1.26, Fourth Year Apprentices/Material Handlers earned a Monthly Pension of $52.50 in return for an Hourly Contribution of $1.47, and Fifth Year Apprentices/Sheeter Assistants earned a Monthly Pension of $60 in return for an Hourly Contribution of $1.68.

1996 There were no changes to the Pension Plan, except as noted above regarding increased Contributions and Pensions.

1997 As noted above, Contributions and Pensions increased effective May 1st .

In addition, the Trustees were required to amend the Plan in order to conform to Revenue Canada's requirements for registration. Effective January 1, 1997, there would no longer be a refund equal to 50% of Contributions for persons who terminated Membership in Local Union 30 on/after that date and who are not Vested - that is, they had not completed at least two Years' Pension Plan Membership. Effective that same date, eligibility for a Disability Pension was restricted such that, if the onset of disability was on/after January 1, 1997, the Member must have been disabled to the extent that he/she was unable to perform the duties of any occupation for which he/she is reasonably suited, having regard for his/her education, training or experience. If the onset of disability was on/before December 31, 1996, the previous eligibility rule still applied - that was, the person must be medically unfit to perform the duties required in the Sheet Metal Industry.

The Pensions earned to December 31, 1997 by all unretired Plan Members, including Terminated Vested Members, were increased by 7%. All persons in receipt of a Pension received an increase of 7% starting with their Pension for January, 1998.

1998 Prior to 1998, Barrie Area Members were covered by a separate pension plan, funded by hourly contributions approved by their membership. In late-1997, these Members resolved to wind up their pension plan, and join this Pension Plan effective with Contributions earned on/after January 1, 1998. During 1998, Barrie

Area Members earned a Monthly Pension of $32.52 per 1,680 Contributory Hours, adjusted to precisely reflect the number of contributory hours earned in 1998 in comparison with 1,680.

1999 During 1998, the Trustees reviewed the method of calculating Monthly Pensions to be earned by the Membership, having due regard for the fact that:

At the time the Pension Plan was started in 1959 up until May, 1995, the only Members were Toronto Area Journeymen. Since the Hourly Contribution earned by these Journeymen was the same amount – that is, when it changed it was changed for all Journeymen at the same time – during those 36 years, it was a relatively simple matter to determine the amount of Monthly Pension that would be earned by these Members, since any increases to the Hourly Contribution Rate took place at the same time, and applied equally to every Journeyman.

As time passed, there were frequent increases in the Hourly Contribution Rate, which meant that there were 10 time-related amounts of Monthly Pension, as outlined earlier in this Report.

- Effective June 1, 1995, Apprentices, Material Handlers and Sheeter Assistants started to contribute to the Plan, and since there were three different Hourly Contribution Rates there had to be three different amounts of Monthly Pension.

- Effective June 1, 1998, Barrie Area Members joined the Plan, and since their Hourly Contribution Rate was different from any other group of Members, this required another calculation to determine the amount of Monthly Pension those Members would earn.

As at December 31, 1998, the Pension Plan had five different classifications of Members, whereas there used to be only one; the Pension Plan was also maintaining Records on fourteen different amounts of Monthly Pension, depending upon when those Contributions were earned and by what Classification of Member.

Having due regard for the fact that increases in Hourly Contribution would most surely take place in the future – but that change may not affect all Classifications of Members – it was clear that a change to the method of calculating Monthly Pensions had to be adopted. Naturally, any change to the method of calculating Monthly Pension had to give each person precisely the same amount of Monthly Pension for the same Contribution, and

accordingly the Trustees amended the Pension Plan effective with Contributions earned on/after January 1, 1999, so that the amount of Annual Pension for every person was related to the amount of Contributions earned by each person.

In 1999, the Trustees approved increases in Pension Benefits, as follows:

- Every person who received a Monthly Pension for December, 1999 was given an extra cheque equal to 5% of the entire amount he or she was entitled to receive throughout 1999. The amount of the average cheque was $344.18, and was paid in December, 1999. This bonus payment was a "one time" only event, so that Retirees could share in the Pension Plan's Surplus at December 31, 1998.

- The amount of Pension earned by every Active and Inactive Member to December 31, 1999, who did not retire in 1999, was increased by 2.5%.

2000 In order to decrease expenses, the administrator took over the payment of all Pension Benefits effective with Benefits due on/after January 1, 2000.

Hourly Contributions to the Pension Plan were increased during the year.

2001 Effective with Contributions earned on/after May 1, 2001, Earned Annual Pensions were equal to 24.12% of such Contributions.

Hourly Contributions to the Pension Plan were increased during the year.

2002 Effective with retirements on/after March 1, 2002, Members retiring under the "30 and out" feature must be at least Age 56. Hourly Pension Contributions were increased during the year.

2003 Effective with Contributions earned on/after May 1, 2003, Earned Annual Pensions were equal to 23% of those Contributions.

Hourly Contributions to the Pension Plan were increased during the year.

2004 Effective with Contributions earned on/after May 1, 2004, Earned Annual Pensions were equal to 21% of those Contributions.

Hourly Contributions to the Pension Plan were increased during the year.

2005 Effective May 1, 2005, the Text of the Pension Plan was amended to remove the entitlement of any Member to retire in advance of Age 63 and receive an unreduced Pension.

However, Members in Good Standing, Local Union 30 who retire in advance of their Age 63, and who would have qualified for an unreduced Pension under the former Rules, would receive an unreduced Pension provided that their Pension started on/before April 1, 2006. Members in Good Standing, Local Union 30 who suffer a total and permanent disability that commences on/before April 30, 2006 were also entitled to receive an unreduced Pension in accordance with the former Rules.

Hourly Contributions to the Pension Plan were increased during the year.

2006 Effective with Contributions earned on/after May 1, 2006, Earned Annual Pensions were equal to 20% of those Contributions.

Effective May 1, 2006, the Text of the Pension Plan was amended to extend the provisions of the Enhanced Early Retirement "Window" to April 30, 2007.

Hourly Contributions to the Pension Plan were increased during the year.

2007 Effective May 1, 2007 the Text of the Pension Plan was amended to extend the provisions of the Enhanced Early Retirement "Window" to April 30, 2008.

Effective December 1, 2007 the Text of the Pension Plan was amended to extend the provisions of the Enhanced Early Retirement "Window" to April 30, 2009.

Every person who is a Pension Plan Member, whether Active or Terminated Deferred Vested, became entitled to receive an unreduced Monthly Pension upon retirement on or after his/her 63rd birthday, which is the Normal Retirement Age of this Pension Plan.

Effective January 1, 2007, the Text of the Pension Plan was amended to increase the age limit to 71 from 69 for the commencement of a Monthly Pension from the Pension Plan.

Effective December 11, 2007, the Text of the Pension Plan was amended to clarify that a Disability Pension is not commutable.

Hourly Contributions to the Pension Plan were increased during the year.

2008 Effective April 1, 2008, a Plan Member, whether a Member in Good Standing or not, must have a period of at least 24 consecutive months during which no Employer Contributions have been received on his behalf before he is eligible to receive a Termination Benefit.

The Trustees made application to the Financial Services Commission of Ontario to have the Pension Plan declared a Specified Ontario Multi-Employer Pension Plan (SOMEPP) so that the Plan could take advantage of special funding rules. This application was accepted and the Pension Plan is now recognized as a SOMEPP.

The Plan Actuary reported that phased retirement would likely be considered as a benefit improvement under the Pension Benefits Act of Ontario, and therefore, would contravene the Plan's SOMEPP status, if Ontario approves phased retirement.

Hourly Contributions to the Pension Plan were increased during the year.

2009 Further to the recommendation of the Pension Plan's Actuary, the Trustees at their Meeting of February 3, 2009, closed the Enhanced Early Retirement Window effective April 1, 2009 as a result of the investment losses sustained by the Plan during the 2008 financial crisis.

Hourly Contributions to the Pension Plan were increased during the year.

It is the policy of the Trustees to continually monitor the Actuarial Assets and Liabilities of the Fund, so as to amend the Plan when circumstances prudently require or allow.

At December 31, 2009, Hourly Pension Contributions were:

	Toronto Area	Barrie Area
Journeyman	$6.87	$6.87
3 Year Apprentice	$3.61	$3.61
4 Year Apprentice	$4.24	$4.24
5 Year Apprentice	$4.89	$4.89
Sheeter/Decker	$6.87	$6.87
Sheeter/Decker Assistant	$5.93	$5.93
Material Handler	$4.68	$4.68

THE WELFARE TRUST FUND

Based on the unaudited financial statements of the Fund, the following reflects the Fund's financial position as at December 31, 2009.

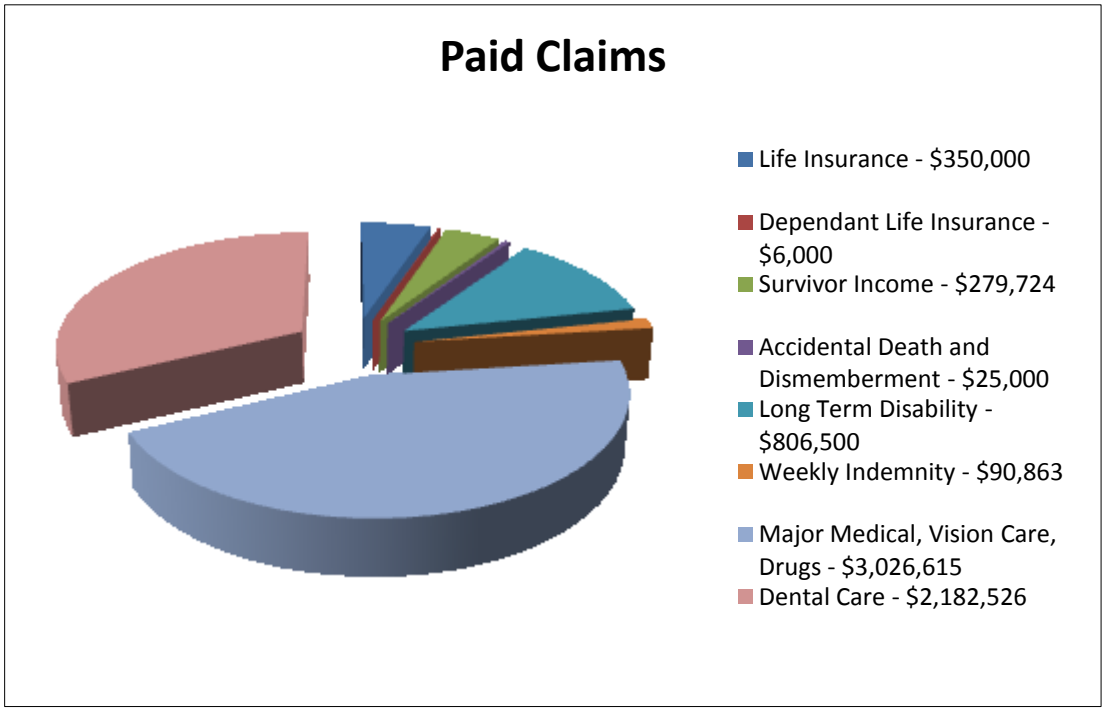
During 2009, the Welfare Fund:

Received:	
Contributions	$10,608,239
Interest Income	$243,857
Miscellaneous	$1,500
	$10,853,596
Disbursed:	
Insurance Premiums	$7,887,645
Consulting Fees	4,174
Legal Fees	889
Audit Fees	17,325
Administration Fees	120,505
Investment Management Fee	115,460
Trustees and Membership Meetings	17,964
Trustees Education	29,458
Trustees and Trust Fund Insurance	10,463
Printing and Stationery	42,684
Telephone, Postage and Courier etc.	16,903
	$8,263,470
Excess of Receipts over Disbursements	$2,590,126
Transfer to Dollar Bank Reserve	($666,372)
Gain for the year	$1,923,754
Net Assets at the beginning of the Year	$4,777,357
Gain for the Year	1,923,754
Net Assets, end of the Year	$6,701,111

Each Member and Apprentice has their own Dollar Bank, and is entitled to continue Benefits for one month for each $409.00 in their Dollar Bank Account. At December 31, 2009, the Closing Dollar Bank Balance of all Members and Apprentices was $5,753,309. At December 31, 2009, after funding the Liability of the Closing Dollar Bank Balance, the Fund had an Unappropriated Reserve of $6,701,111. The funding status of the following Reserves as of December 31, 2009 should be noted:

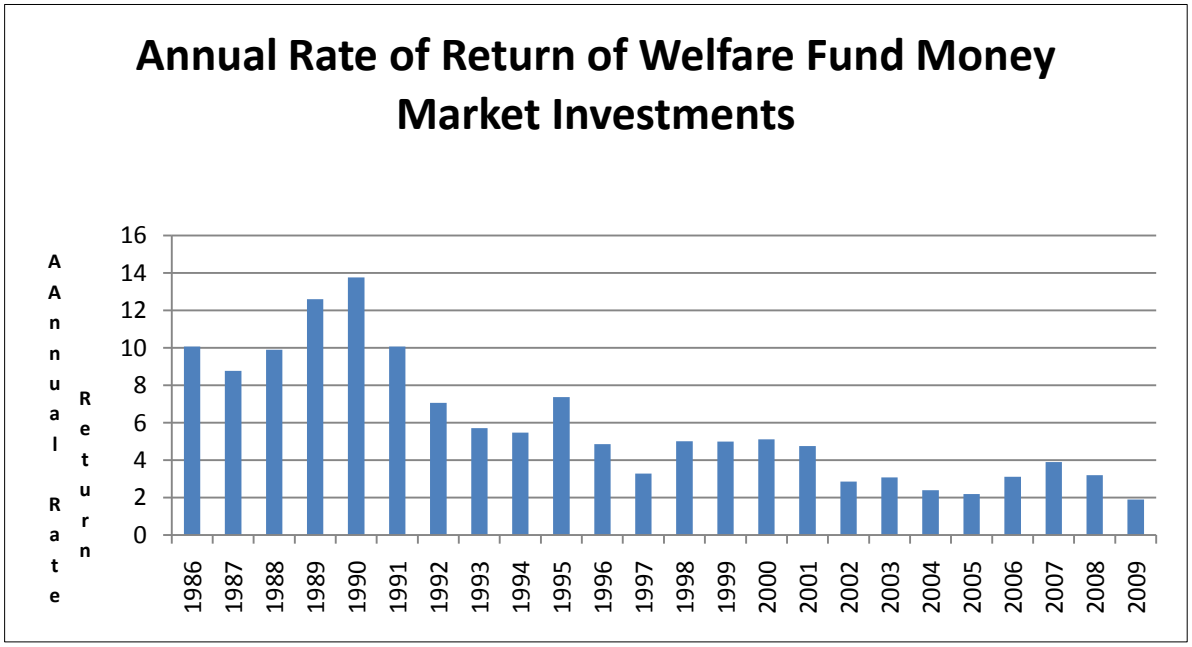
Reserves:	
For Retired Member Benefits	$6,683,067
For Benefits not Purchased	$5,753,309
For Workers Safety and Insurance Board Benefits	$451,078
For Extended Benefits	$2,032,170

During the period January 1, 2009 through December 31, 2009, the Welfare Plan paid $6.8 Million in Benefits to its Members and their Beneficiaries.



The Assets of the Welfare Trust Fund are invested by Manulife Financial in a Canadian Short Term Money Market Fund Pool containing the highest quality Commercial and Government Securities. Interest on the Investment is calculated and paid monthly.

The net Annual Rates of Return for the twenty-three (24) year period from 1986 through 2009 inclusive is shown in the following Graph:



1986	10.08%	1998	5.01%
1987	8.78%	1999	4.99%
1988	9.91%	2000	5.11%
1989	12.61%	2001	4.76%
1990	13.77%	2002	2.86%
1991	10.08%	2003	3.08%
1992	7.06%	2004	2.40%
1993	5.71%	2005	2.20%
1994	5.48%	2006	3.12%
1995	7.37%	2007	3.90%
1996	4.86%	2008	3.20%
1997	3.29%	2009	1.90%

RECENT CHANGES TO THE WELFARE PLAN

The Welfare Plan has been significantly improved, as set out below:

- Effective with disabilities that commenced on/after July 1, 2000, the LTD Plan's Monthly Income Benefit was increased from $1,000 to $1,500. Effective that same date, the Dental Plans covering Active, Unemployed and Retired Members paid Claims based on the 1999 ODA Fee Guide, General Practice, in replacement of the 1994 Guide. These improvements were funded by the Active Members who agreed to increase the Hourly Contribution by 27.22¢, from $2.638 to $2.9102.

- Effective July 1, 2002 Dental Claims were paid on the basis of the ODA Fee Guide for 2001, the cost of which was absorbed by the Welfare Trust Fund.

- Effective October 1, 2003, the Group Term Life Insurance Benefit covering Active and Extended Benefit Program Members was increased from $25,000 to $50,000, and the same Benefit covering Retired Members was increased from $5,000 to $10,000.

- Effective July 1, 2005 Dental Claims were paid on the basis of the ODA Fee Guide for 2003, the cost of which was paid out of the Welfare Trust Fund's Surplus.

- Effective May 1, 2005 Option A and Option B, of the Retired Members Welfare Plan were amended to provide first-dollar coverage for Chiropractic Services, and up to $50 per person per 24 consecutive month period for Refractions (testing for eyeglasses) unless the Refraction is covered by OHIP.

- Effective July 1, 2005 the Welfare Plan covering Active and Extended Benefit Program Members was amended in the same manner as set out above for Retired Members.

  The cost of the 2005 improvements was paid out of the Welfare Trust Fund's Surplus.

In December 2006 the Trustees informed the Members that certain Benefits would be reduced effective January 1, 2007 as follows:

a) the Weekly Indemnity Benefit would be integrated with Employment Insurance;

b) expenses related to a motor vehicle accident would not be covered;

c) the Ingredient Cost of a Prescription Drug would be reimbursed at 100% if the Drug is a Generic Drug; at 70% if the Drug is a Brand Name Drug;

d) the maximum reimbursement for the Pharmacist's Professional Dispensing Fee was $7.00;

e) the maximum annual benefit for each of Physiotherapy, Massage Therapy and Chiropractic Services was $750.00.

At the Membership Meeting of April 1, 2007, the Members voted to increase the Contribution to the Welfare Trust Fund by 40 cents per hour effective on each of May 1, 2007, May 1, 2008 and May 1, 2009. This was the first increase in the Contribution Rate since 1995 and critical to the stable funding of the Plan.

In recognition of the increased Contributions, the Trustees reinstated certain Benefits effective with services incurred on/after July 1, 2007 as follows:

i) the maximum reimbursement for the Pharmacist's Professional Dispensing Fee increased to $8.50;

ii) the maximum annual benefit for Physiotherapy, Massage Therapy and Chiropractic Services was removed.

- Effective July 1, 2008 Dental Claims are paid on the basis of the ODA Fee Guide for 2007.

- In 2010 the Trustees will be introducing Internet Access to Member benefit information. With this improvement, Members will be able to have access to their personal benefit information 24/7. This includes information about Employer Contributions, how long you are covered for Benefits and who you have enrolled in the Plan as your Dependants.

The Trustees, as always, will carefully monitor the funding of the Plan so as to provide the Plan's Benefits on a sustainable and prudent basis.

BRIEF SUMMARY OF THE PLAN

The Welfare Plan covers Members, Apprentices, their Spouses and unmarried dependant children under Age 22, provided that these Dependants do not permanently reside outside Canada. At May 1, 2009 the Hourly Contribution became $4.11. Of that amount, $3.7898 is deposited to the Dollar Bank of the Member who earned the Contribution, $0.03 is used to fund the Welfare Trust Fund's liability to continue Welfare Plan Benefits for up to one year on account of Members who are disabled and in receipt of Workers' Compensation (WSIB) as well as to credit their Pension Contribution Records as if they were fully employed. The balance ($0.2902) is used to fund the cost of the Extended Benefit Program for Unemployed Members and to keep Apprentices continuously covered while in attendance at Apprenticeship School. When the $0.2902 allocation was initially made, it was also to be used to fund the cost of the Retired Members Welfare 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, and you can save excess Contributions in your Dollar Bank up to $4,908 - that is, one year's Coverage under the current Rules.

Certain Benefits are continued for disabled, laid off and retired Local 30 Members, as well as Apprentices.

At January 1, 2010, the Plan provides:

ACTIVE MEMBERS

Death Benefits:

- $50,000 Group Term Life Insurance
- $2,000 Spouse, $1,000 Child Dependant Life Insurance

Survivor Income Benefits:

- $900 Spouse, $600 Child/Children Monthly Survivor Income Benefit Plan

Accidental Death and Dismemberment Benefits:

- Principal sum of (or a percentage of) $25,000 due to Accidental Death or Dismemberment.

Weekly Income:

- $445 per week, 26 week Maximum Benefit, commencing first day of disability due to accident, 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:

- $1,500 Monthly Income Benefit, payable from the 27th week of continuous, Total Disability to Age 65. Benefit is reduced, dollar for dollar, by any amount paid or payable by Workers' Compensation (WSIB). 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 Plan 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.

Prescription Drugs:

- The Prescription Drug Plan 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.

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

Vision Care:

- The Vision Care Plan 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.

Dental:

- The Dental Care Plan 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 $500 per person, within the $2,000 maximum. Claims are paid on the basis of the 2007 Ontario Dental Association Suggested Fee Guide For General Practitioners.

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

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.

The Trustees necessarily reserve the right to terminate, suspend or modify the Extended Benefit Program should circumstances warrant.

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, or an Apprentice, of Local Union 30; and**
- **make prompt Application to the Office of Local Union 30, for approval. It is Local Union 30's Office, alone, that approves such Applications, and accordingly notifies the Administration Office.**

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 for lack of contributions, Apprentices can make arrangements with the Office of Local Union 30 to have their name put on a special list that Local Union 30 gives to the Administration Office. Apprentices on the list are granted credits 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 Apprentices to apply to Local Union 30 for this Benefit.

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, whatever, for wage or profit. In those cases, such Members remain covered as follows:

- If the Member is Totally and Permanently Disabled, the Death Benefits shown earlier for Active Members remain in force until Age 65, through the Waiver of Premium Clause in the Group Life Insurance Contract held by the Trustees. At age 65, the Death Benefit reduces to $10,000 ($5,000 for Members disabled prior to October 1, 2003). Prompt application for Premium Waiver 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 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.

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 (3) months by paying the full cost of these Benefits. Members may opt to continue only the Life Insurance Benefit or Life Insurance and Survivor Income Benefits. Details may be obtained from the Administration Office.

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, or an Apprentice, of Local Union 30.

RETIRED MEMBERS

When an Active Member retires, all of the above Benefits for Active Members (except the Disability Income Benefits) remain in force until his/her Dollar Bank Balance is less than $409.00. At that time, and 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

- 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 the required Monthly Retiree Contribution,

the Retired Plan Member is eligible for the following Benefits:

Death Benefit:

- $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:

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

- Subject to Lifetime Maximum Benefit of $50,000 for each person, a Major Medical Plan that provides Benefits for a great range of medical services and supplies that are not covered by OHIP, or the Provincial Medicare Plan in which the Plan Member resides.

- Subject to a Deductible of $100 per person per calendar year, the Plan will pay the amount charged by a Chiropractor, Physiotherapist, and Psychologist to a maximum of $20 per visit to a maximum Benefit of $225 per person per calendar year. Services of a Masseur, Osteopath, and Naturopath are covered to a maximum of $10 per visit to a maximum Benefit of $225 per calendar year. Services of a Speech Therapist and Podiatrist are covered to a maximum of $15 per visit to a maximum Benefit of $225 per calendar year ($25 for the initial assessment of a speech Therapist).

Prescription Drugs:

- The above-described Prescription Drug Plan for Active Members. The Plan does not pay the $100 Annual Deductible nor the Professional Dispensing Fee that the Ontario Government applies to the Ontario Drug Plan for Seniors - that is, persons at least Age 65. This applies to all persons covered by the Retired Members Welfare Plan, regardless of where they reside.

Vision Care:

- Subject to a Maximum Benefit of $50 per person per 24-month period, a Vision Care Plan 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:

- Subject to a Deductible of $100 per person per calendar year, a Dental Plan that 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. Claims for services and supplies will be paid on the basis of the 2007 Ontario Dental Association Suggested Fee Guide For General Practitioners.

The following tables provide a summary of the Plan's Benefits as at January 1, 2010.

ACTIVE MEMBER BENEFITS

Benefit	Coverage
Group Term Life Insurance	$50,000 for Member $2,000 for Spouse $1,000 for Children
Accidental Death and Dismemberment	$25,000 Principal Sum
Survivor Income	$900 for Spouse $600 for Children
Weekly Income	$445 per Week
Long Term Disability	$1,500 per Month
Major Medical	Various Levels
Dental	$2,000 Annual Maximum 2007 Ontario Dental Association Fee Guide
Prescription Drugs	100% for Generic Drugs; 70% for Brand Name Drugs $8.50 cap on Professional Dispensing Fee
Vision Care	$240 per 24 Consecutive Months

UNEMPLOYED MEMBERS

All Benefits remain in force until the Unemployed Member's Dollar Bank Balance is less than $409.00. The Extended Benefit Plan provides:

Benefit	Coverage
Group Term Life Insurance	$50,000 for Member $2,000 for Spouse $1,000 for Children
Accidental Death and Dismemberment	$25,000 Principal Sum
Survivor Income	$900 for Spouse $600 for Children
Major Medical	Various Levels
Dental	$2,000 Annual Maximum 2007 Ontario Dental Association Fee Guide
Prescription Drugs	100% for Generic Drugs; 70% for Brand Name Drugs $8.50 cap on Professional Dispensing Fee
Vision Care	$240 per 24 Consecutive Months

RETIRED MEMBERS – OPTION A

All Benefits remain in force until the Retired Member's Dollar Bank Balance is less than $409.00.

Benefit	Coverage
Group Term Life Insurance*	$10,000 for Member Only
Major Medical	$50,000 Lifetime Maximum
Dental	$1,000 Annual Maximum 2007 Ontario Dental Association Fee Guide
Prescription Drugs	100% for Generic Drugs; 70% for Brand Name Drugs $8.50 cap on Professional Dispensing Fee
Vision Care	$50 per 24 Consecutive Months

RETIRED MEMBERS – OPTION B

All Benefits remain in force until the Retired Member's Dollar Bank Balance is less than $409.00.

Benefit	Coverage
Group Term Life Insurance*	$10,000 for Member Only
Major Medical	$50,000 Lifetime Maximum
Dental	$1,000 Annual Maximum 2007 Ontario Dental Association Fee Guide
Vision Care	$50 per 24 Consecutive Months

RETIRED MEMBERS – OPTION C

All Benefits remain in force until the Retired Member's Dollar Bank Balance is less than $409.00.

Benefit	Coverage
Group Term Life Insurance*	$10,000 for Member Only

* The amount of Group Term Life Insurance is reduced by any amount being extended under the Waiver of Premium provision under the Active Member Group Term Life Insurance Benefit.

COST OF THE WELFARE PLAN

All of the Benefits of the Welfare Plan covering Active, Extended Benefit and Retired Members are provided through the medium of a Contract of Insurance underwritten by Manufacturers Life Insurance Company (Manulife Financial). 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 entirely upon the Welfare Plan's claims experience.

It is important that the Membership be familiar with the cost of their Benefits in comparison with what they are presently contributing. That information follows:

Active Members

Effective May 1, 2009, the Hourly Contribution was $4.11, of which $0.03 per hour is used to fund the cost of Welfare and Pension Benefits for Members who suffer a work-related disability for which Workers' Compensation (WSIB) is payable.

For each Hourly Contribution of $4.11, $3.7898 is deposited to the Dollar Bank Account of the Member who earned that Contribution. The balance of $0.2902 is utilized to pay the premiums for unemployed Members covered by the Extended Benefit Program, and to keep Apprentices continuously covered while in attendance at Apprenticeship School.

Effective August 1, 2009, the Fund paid $362.04 per month on behalf of each Active Member eligible for Benefits. The Active Member Dollar Bank Deduction is $409.00 per month. The difference of $46.96 is deposited to the Fund's Unallocated Surplus and is used to fund retirement benefits and to otherwise stabilize the Fund against future adverse claims experience.

Retired Members

Retired Members of Local Union 30 who have a balance in their Dollar Bank Account continue to be covered for all of the Benefits they had as an Active Member (except the two Disability Income Plans) until their Dollar Bank Balance is less than $409.00. Provided that such Members qualify (see the Eligibility Requirements in the Benefits information booklet), such Members are offered enrollment in three different Retired Member Welfare Plans.

These Plans require part-payment by the Retiree by way of a deduction from the Monthly Pension cheque. Continuous status as a Member in Good Standing of Sheet Metal Workers Local Union 30 is necessary for continued eligibility to participate in the Retired Member Welfare Plan.

The amount Retirees contribute compared to the Monthly Insurance Premium, and the amount of subsidy being paid out of the Reserve for Retired Member Benefits of the Welfare Trust Fund, is in the Table below:

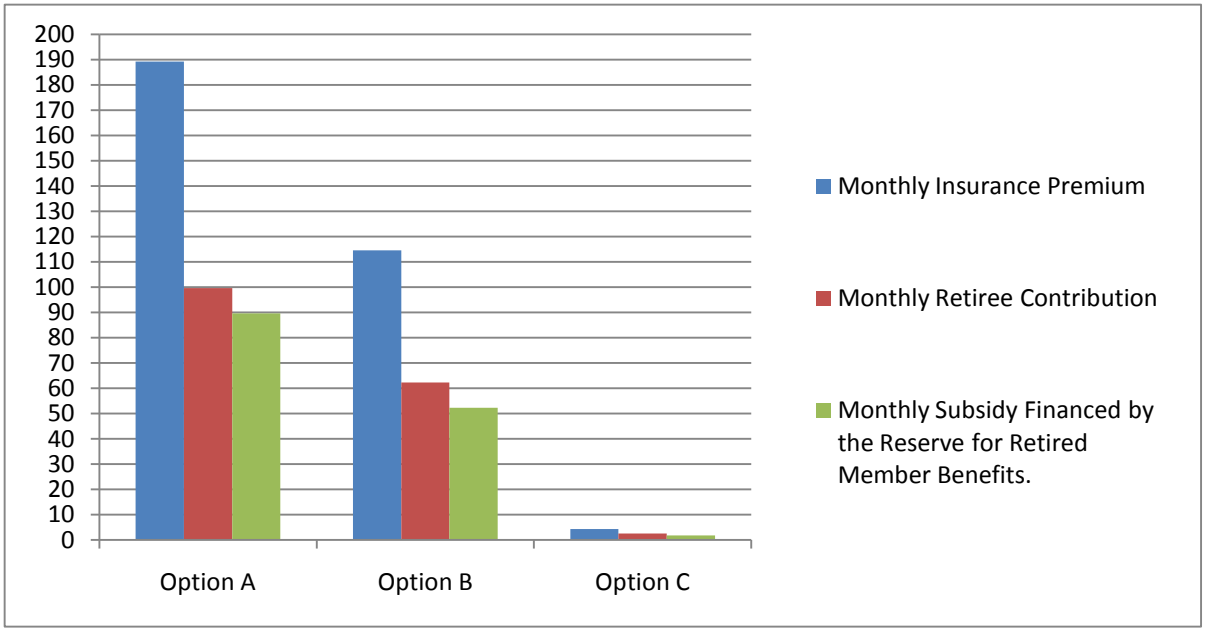
As at August 1, 2009:

Plan Option	Monthly Insurance Premium	Monthly Retiree Contribution, net of Tax	Monthly Subsidy per Retired Member
A	$189.16	$99.56	$89.60
B	$114.53	$62.24	$52.29
C	$ 4.30	$ 2.52	$ 1.78

Notes:

1. Retired Members living in Ontario are required to pay Ontario's 8% Retail Sales Tax on their Monthly Contribution.
2. The above figures include the additional contribution with respect to the Dental enhancement effective July 1, 2008

The following graph provides a comparison of the Monthly Insurance Premium in relation to the Monthly Contribution from the Retiree and the amount of the Monthly Subsidy which is financed by the Reserve for Retired Member Benefits of the Welfare Trust Fund.



Effective January 1, 2007, the Trustees established a Reserve for Retired Member Benefits. The opening balance of the Reserve as of January 1, 2009 was $7,237,965 while the closing balance as of December 31, 2009 was $6,683,067, which is far short of the $18 Million the Actuary estimated was the required reserve. This Reserve decreases by the amount the Fund pays to subsidize Retired Member Benefits and earns investment income. The Reserve will be increased by any new allocations the Trustees approve for this Reserve.

The Trustees also set up a Reserve for Extended Benefits as of January 1, 2007. The opening balance in the Reserve at January 1, 2009 was $1,367,143 while the closing balance at December 31, 2009 was $2,032,170. 29.02 cents per hour is targeted for Extended Benefits. The total Contributions targeted for this Benefit since February 1992 were $8,220,050. The total cost of providing Extended Benefits over the same period was $6,223,530, leaving a positive balance of $1,996,520.

The opening balance of the Worker's Compensation (WSIB) Reserve as of January 1, 2009 was $477,436. The closing balance as of December 31, 2009 was $451,078. The difference is the amount collected under the 3 cent per hour allocation and the amount paid to continue the Benefits of those in receipt of WSIB. The amount collected for 2009 was $75,158 while the amount paid in Benefits was $101,516.

WELFARE PLAN FUNDING

Prior to July 1, 2001 Retired Members of Sheet Metal Workers Local 30 who met certain eligibility requirements were automatically covered by the Sheet Metal Workers Local 30 Retired Members Welfare Plan. The entire cost of that Plan was paid for by Local 30's Active Members. However, the cost of the Retired Members' Welfare Plan escalated to the point where it could no longer be funded entirely by Active Members.

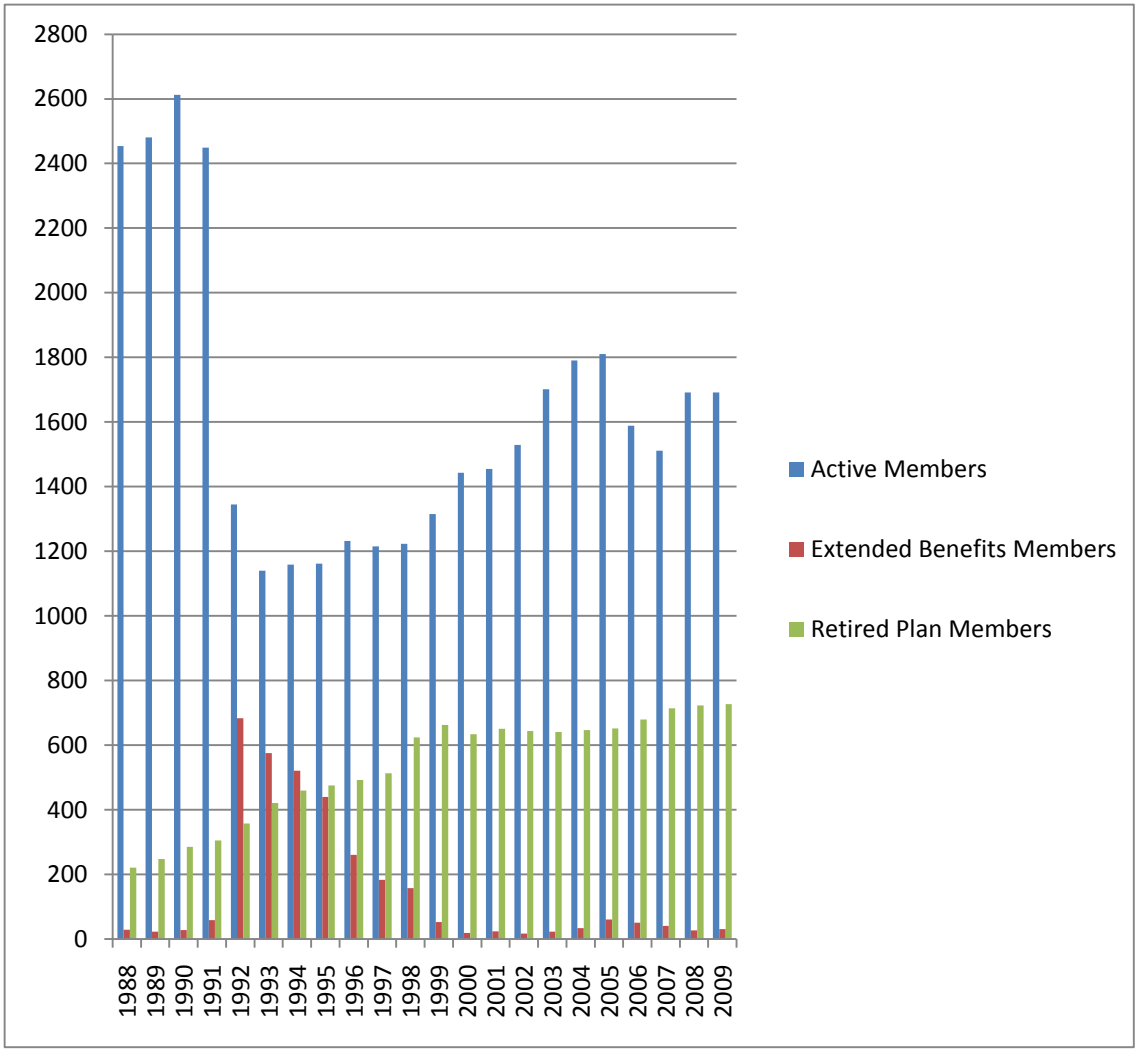
Effective July 1, 2001, eligible Retired Members were able to continue their Welfare Plan Benefits under one of three Optional Plans, according to their choice, by agreeing to pay a Monthly Contribution which, in most cases, is deducted from the Retired Member's monthly Pension Benefit.

As can be seen in the following table, the number of Retired Members has, as expected, continued to trend upwards. The following data are taken from the Administration Office's Insured Member File, and illustrate the number of insured Members in December of recent years.

Year	Active Members	Extended Benefit Plan Members	Retired Plan Members	Ratio Of Active Members To Extended Benefit And Retired Members
1988	2,454	29	221	9.82
1989	2,481	23	248	9.15
1990	2,612	28	286	8.32
1991	2,449	59	305	6.73
1992	1,345	684	358	1.29
1993	1,140	576	421	1.14
1994	1,159	521	460	1.18
1995	1,162	440	476	1.27
1996	1,232	261	492	1.64
1997	1,215	184	513	1.74
1998	1,223	158	624	1.56
1999	1,315	53	663	1.84
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

*Comprised as follows: Plan A - 469; Plan B - 156; Plan C - 102

The following graph compares the number of Active Members to the number of Extended Benefit Plan Members and Retired Plan Members for the period 1988 through 2009, inclusive.



Each Retired Member who wishes to be covered by one of the three Plans that are offered is required to pay approximately 50% of the cost (plus 8% Retail Sales Tax for Ontarians). The co-payment is deducted from the participating Retired Member's Pension cheque. Retired Members have the ability to move to a less-comprehensive Plan in the future; but are not permitted to move to one of the more comprehensive Plans. Those Retired Members who choose to cancel their Benefits outright will not have the opportunity to subscribe at a future date.

RECENT DEVELOPMENTS

- Effective July 1, 1993, Contributions paid into an Ontario Welfare Trust Fund by both Contributing Employers and Pay Direct Subscribers became subject to an 8% Retail Sales Tax.

- Commencing in 1994, premiums paid by an Employer or a Welfare Trust for Life Insurance benefits became a taxable benefit under the *Income Tax Act,* Canada. As a result, the Administration Office issues a T-4 Supplementary each year to each covered Plan Member, representing taxable premiums paid by the Trust Fund for Life Insurance and the Survivor Income Benefit, plus 8% of those premiums on account of Ontario's 8% Retail Sales Tax.

- Ontario's Pharmacare Plan (which once paid 100% of virtually every prescription medication for Ontarians who are at least Age 65) was amended effective August 1, 1996 to require an Annual Deductible of $100 per person, followed by a User Fee equal to the Professional Dispensing Fee (currently, $6.11 per prescription order), and these changes apply to Ontarians whose annual income exceeds $16,018 (single) or $24,175 (family). These charges are the responsibility of affected Retired Members.

- A new tax was implemented effective July 1, 2004 to assist in the delivery of health services to Ontarians. The Tax is payable by all Ontario residents whose Taxable Income exceeds $20,000, and ranges from $300 to $900, annually.

- In September 2005, an historic ruling by the Supreme Court of Canada in the Chaoulli vs Quebec case declared that Quebec laws are unconstitutional by prohibiting people from obtaining private insurance to pay for medically necessary treatment that they cannot access in a timely manner from the public health system. Quebec's *Health Insurance Act* and its *Hospital Insurance Act* were the two provincial laws cited by the Supreme Court to be in violation of the Quebec *Charter of Human Rights and Freedoms*. This historic ruling is expected to have a huge impact on the delivery of health care services in Canada.

- At the April 1, 2007 Meeting, the Membership cast ballots which resulted in an additional 40 cents per hour being allocated to the Welfare Fund effective each May 1st in 2007, 2008 and 2009. This new funding will enhance the stability of the Welfare Plan's Benefits.

In July 2010 the Ontario Government will introduce the Harmonized Sales Tax (HST). This Tax will add Provincial Sales Tax to those amounts which already attract the Goods and Services (GST) Tax. HST will not be applied to Pay Direct payments or Employer Contributions. Ontario Retail Sales Tax will still be payable on these payments.

The impact of HST on the Welfare Fund will be to increase the non-insurance operating cost of the Fund by about $27,000 per year, or 8%.

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, and the Member's Social Insurance Number, etc.), all of which is essential to the proper administration of the Plans as well as determining every Member's entitlement to receive a Benefit. Personal Information is revealed 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 that 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 INSURER

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

Actuary & Consultant:	J.J. McAteer & Associates Incorporated
Administration Office	Employee Benefit Plan Services Limited
Auditor:	HS & Partners LLP, Chartered Accountants
Banker:	Royal Bank of Canada
Custodian of the Pension Fund:	RBC Dexia Investor Services
Insurer:	Manufacturers Life Insurance Company (ManuLife Financial)
Investment Consultant	Eckler. Ltd.
Investment Managers:	Gluskin Sheff + Associates Inc. SEI Financial Services Manulife Financial
Legal Counsel:	Borden Ladner Gervais LLP

OFFICE OF THE PLAN ADMINISTRATOR

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