



## SHEET METAL WORKERS LOCAL UNION 30 WELFARE AND PENSION TRUST FUNDS

### PLAN ADMINISTRATION: EMPLOYEE BENEFIT PLAN SERVICES

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April 13, 2015

Update for all Members of the Sheet Metal Workers Local Union 30 Pension Plan

Re: Changes to the Pension Plan

Dear Members,

The Trustees have received and reviewed the Pension Plan's actuarial valuation as at August 31, 2014. In summary:

**Assets are: \$375.8 million.** The actuary has recommended that the Trustees, as a measure of prudence, hold over \$23 million in reserves for the future. This will protect the Pension Plan from some future investment market fluctuations. The Plan's actual assets at August 31, 2014 were \$399.2 million.

**Liabilities are: \$394.1 million**

**The Plan is 95.4% funded, after setting aside the reserve of \$23 million.**

One of the Trustees' responsibilities is to ensure that the Pension Plan is always compliant with applicable legislation. In order for the Pension Plan to remain compliant, the Trustees considered a number of alternatives to ensure current contributions will cover the cost of benefits. After much deliberation the Trustees decided that the accrual rate for Active Member pension benefits, *earned after September 1, 2014* will be at the rate of 1.25% per month, which is 15% per year. The rate up to August 31, 2014 remains at 1.67% or 20% per year.

The Trustees worked on the various alternatives for benefits with the Plan's actuary and investment consultant, Eckler Ltd. Eckler informed us that most Ontario trades pension plans have a monthly accrual rate of 1%. This means that the rate our active Members earn benefits remains among the highest in Ontario at 1.25% per month; 25% higher than most plans.

There are no changes to pensioner's benefits.

The Trustees are committed to providing the highest possible level of benefits to Members which can be sustained over the long term. The Trustees have taken a number of steps to ensure that we are getting the most out of our contributions and investments – this was discussed at our Annual Meeting in 2014.

The Trustees continuously review the performance of the Plan's investments and will continue to review the Plan's benefits to ensure that they remain the best the Pension Plan can provide.



There will be a presentation on the process the Trustees used to determine Plan benefits for the future at our Annual Meeting to be held May 2, 2015. Details about that Meeting are enclosed.

Best regards,

The Board of Trustees

Art White – Chairman, Peter Witruk – Co-Chairman, Tom Kerr, Bowen LaFave, Martin Roberts, Bill Wilkinson