



SHEET METAL WORKERS LOCAL UNION 30 WELFARE AND PENSION TRUST FUNDS

PLAN ADMINISTRATION: EMPLOYEE BENEFIT PLAN SERVICES

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STATUTORY INFORMATION ABOUT YOUR PENSION PLAN

The Board of Trustees of the Pension Plan is the Plan's administrator. The Board of Trustees believe that communication with the Pension Plan's beneficiaries is an important element of responsibility for the good management of the Plan.

The Board of Trustees elected to have the Pension Plan designated as a "Specified Ontario Multi-Employer Pension Plan" ("SOMEPP") under the Ontario Pension Benefits Act and Regulations and it continues to have this designation. This designation temporarily removes the requirement to fund any solvency deficiencies in the Plan's fund.

As the Plan is a SOMEPP, pension benefits are not guaranteed by the Ontario Pension Benefits Guarantee Fund and are not required to be funded on a solvency funding basis. If the contributions and investment income are not sufficient to provide the target pension benefit, pension benefits may be reduced. In the event of termination, and after providing for wind up expenses, all remaining assets will be allocated to provide benefits to Pension Plan beneficiaries. If there are not sufficient assets at termination, benefits may be reduced. The Trustees have the power to change benefits in accordance with the Act.

The Ontario Pension Benefits Act requires that the Board of Trustees file an actuarial valuation report at least every three years. In September 2018, the Board of Trustees filed an actuarial valuation report for the Plan with an effective Date of December 31, 2017. It was filed with the Superintendent of the Financial Services Commission of Ontario. The actuarial valuation report is prepared by professional actuaries and accepted actuarial standards and assumptions are used. These valuation reports assist the Board of Trustees in the sound management of the Plan. The previous actuarial valuation report was filed effective December 31, 2015.

As at December 31, 2017, the Pension Plan had assets of \$515.5 million and an unfunded liability, measured on a going concern basis, of \$21.9 million. Effective the same date, the Plan had a hypothetical wind-up deficiency of \$373.4 million. The Plan's transfer ratio is 58.1%. The transfer ratio is a measure of the Plan's ability to pay benefits if the Plan is wound-up immediately. The Plan was not wound up and there is no intention to wind up the Plan. On a going concern basis, the Plan was 95.8% funded at December 31, 2017. This was an improvement over the 91.6% funded position at December 31, 2015. For the year ended December 31, 2017 the Plan's rate of return was 12.3%. It was ranked among the best performing Canadian pension plans.

Sincerely,

The Board of Trustees

Fernando Canonico

Shannon Kilgar

Bowen LaFave

Martin Roberts

Art White

Bill Wilkinson