



IBEW LOCAL 353

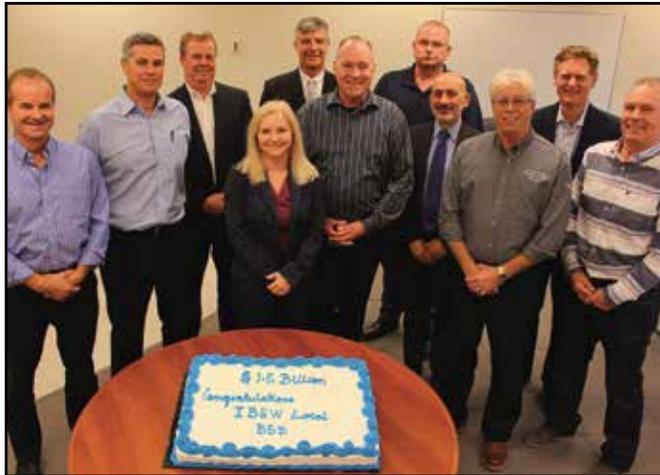
Pension & Benefit Plans

protecting
your **FUTURE**

MARCH 2017

\$1.5 BILLION IN ASSETS

in the IBEW Local 353 Pension Fund



Board of Trustees and advisors mark new milestone in pension fund

The Board of Trustees is proud to announce that in just a few short years, our pension plan has grown from \$1 billion in assets in January 2014 to over \$1.5 billion as of February 28, 2017. This increase has been due in part to strong work levels and contributions, but overwhelmingly due to investment returns. This means good news for our plans and improvements for the future.

In consultation with the Plan Actuary, the Board of Trustees and the Executive Board of IBEW Local 353 are recommending an improvement to the early retirement at age 62. In addition, the Board is also recommending increasing the vision care coverage and short-term disability benefits under the health and welfare plan. These improvements will be voted on at Special Called Meetings next month. Please make an effort to attend and cast your ballots.

We are continuing to leverage technology to serve you better and this year we will hold a Tele-Town Hall where members can call in and receive information on these changes after the Special Called Meetings. Hear the details of these changes and have a chance to ask your questions. Be sure to check our website TEIBAS.com for details.

IMPORTANT BENEFITS IMPROVEMENT PACKAGE — VOTE REQUIRED!

Check inside for details on improvements to your pension and benefits that can take effect this year. Attend your Special Called Meeting and cast your ballots!

WHAT'S INSIDE

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SPECIAL CALLED MEETING - ICI

SUNDAY, APRIL 2, 2017

Where: Hilton Toronto/Markham Suites
8500 Warden Ave.
Markham, ON L6G 1A5

When: 9:00 a.m.



SPECIAL CALLED MEETING - LRR

MONDAY, APRIL 10, 2017

Where: Bellagio Boutique Event Venue
8540 Jane Street
Concord, ON L4K 5A9

When: 7:00 p.m.



IT'S YOUR VOTE

What you need to know to make your mark at our Special Called Meeting

We want to help you make an informed decision! Our Union Trustees, TEIBAS staff, and the plans' professional advisers will be on hand to answer your questions at the meeting.

Vote #1: Continue to cover out-of-work members - 17 cents	
Recommended by the Trustees and Executive Board	Continue to cover out-of-work members at a cost of \$0.17 per hour for a total contribution rate of \$4.00 per hour. The contribution rate for the current benefit plan is \$3.83 + \$0.17 to cover out-of-work members.
Why:	Every year, we vote on whether to continue to carry out-of-work members who are actively looking for work. Active working members have historically voted to subsidize the benefits coverage for members on the IBEW Local 353 Out of Work list. This provides benefits for these members and their families at no cost to those members.
Vote #2: Vision coverage increase - 8 cents	
Recommended by the Trustees and Executive Board	Increase the vision care benefit to \$750 every 24 months for prescription eyeglasses and safety glasses, effective May 1st, 2017.
Why:	With the increasing cost of prescription eyeglasses, members are faced with less choice and this amount better reflects market prices. This is only for eyeglasses and contact lenses. Laser eye surgery and eye exams are separate vision care claims.
Vote #3: Short Term Disability - 3 cents	
Recommended by the Trustees and Executive Board	Increase the maximum weekly short term disability amount from \$600 to \$700 per week at a cost of \$0.03 per hour. This new maximum will apply to new short-term disability claims incurred after May 1st, 2017.
Why:	To help provide greater financial security for periods of disability.
Vote #4: Pension Plan housekeeping amendment	
Recommended by the Trustees and Executive Board	Based on the financial position of the pension plan, the Trustees recommend removing the requirement for Trustee consent for early unreduced retirement at age 62.
Why:	Since the consent provision was introduced over ten years ago, the Trustees have not withheld consent for any member meeting the requirements for early unreduced retirement. This benefit is being provided at no additional actuarial cost to the Plan.
Vote #5: Change 36/60 for 1/24 for unreduced pension eligibility	
Recommended by the Trustees and Executive Board	Replace 36 in 60 rule with 1 contribution in 24 months.
Why:	This will allow for more eligible active members to retire with an early unreduced pension at age 62.
Vote #6: Increase pension contributions to maximum allowable	
Recommended by the Trustees and Executive Board	Increase the hourly contribution rate to \$7.95, which is the maximum allowed by law based on \$1.44 for ICI and \$1.50 LRR wage package increases.
Why:	This will help your pension earnings keep pace with inflation.

SUGGESTED BENEFIT CHANGES (Votes 1, 2, and 3)

Careful stewardship of the health and welfare trust fund has always been a top priority for the Trustees. In 2016, additional reserves were established to protect the plan from adverse experience and risks in investment markets. These reserves assist the Trustees in allowing today's members to benefit from the conservative funding of the plan historically.

Maintaining the current benefit rate at \$4.00 is important to the Trustees in these times of increasing health care costs as well as providing subsidized coverage for out of work members. This year, the Trustees recommend the members vote to carry out of work members, increase short-term disability benefits and improve the vision care coverage as well. If approved, these last two changes would increase the contribution rate for the benefit plan.

8 cents per hour buys vision increase to \$750 every 24 months

Currently the Plan covers \$600 every 24 months for vision coverage. Effective May 1st, 2017, vision coverage will increase to \$750 every 24 months. This amount excludes eye exams. If approved, this benefit will apply to all members and retirees.

3 cents per hour buys short-term disability increase to \$700 every week for 26 weeks

Currently the Plan covers short term disability (STD) equal to 75% of basic weekly earnings, up to a maximum \$600 per week for 26 weeks. If approved, the weekly STD coverage for eligible active working members will be 75% of basic weekly earnings, with a new maximum of \$700 per week for new claims after May 1st, 2017.

ADDING IT UP

The benefit costs that make up our hourly contribution rate

Benefit	Total cost per hour in 2017
Health (drugs, paramedical and vision care)	\$1.95
Dental	\$0.90
Disability (short term and long term)	\$0.67
Life and accident insurance, critical illness, retiree death benefit, emergency travel insurance, member assistance plan, Best Doctors, maternity/parental leave	\$0.35
Net Investment income/trust fund expenses	(\$0.04)
SUBTOTAL	\$3.83
Out-of-work subsidies	\$0.17
TOTAL	\$4.00

New financial literacy training on myTEIBAS.com

Your pension and benefits plans provide the foundation for a comfortable working life and secure retirement for plan members. Understanding how your pension fits in with your own financial goals can help you to make the most of your union benefits. TEIBAS will unveil a new module on our member portal in 2017!

Congratulations
TO OUR
LIFESPEAK  YOU KNOW YOU CAN.

Watch & Win Winner

Congratulations to member Denis Rousselle who won a \$100 MasterCard gift card by watching LifeSpeak videos on myteibas.com!

EARLY RETIREMENT

WHY CHANGE THE EARLY RETIREMENT REQUIREMENT? (Votes 4 and 5)

Several years ago, the plan provided for early unreduced retirement at age 62 for all members. Due to regulatory requirements, the plan was amended to bring in the 36/60 rule with Trustee consent. Since that time, the regulatory landscape has shifted and this 36/60 requirement with Trustee consent is no longer necessary. Consent was added to reduce the solvency liabilities but had no practical effect since the trustees always granted it. As a result, consent is no longer needed and it should be removed.

Also, the going concern funding of the pension plan allows our Trustees to return the plan to where it was before a change in the law and the change in interpretation by the regulator. On this basis, the Trustees recommend lessening the requirements for eligibility for early retirement without reduction to one contribution in the twenty-four month period immediately preceding retirement. This will allow a greater number of eligible active members to retire early without reduction.

HOW WILL THIS BE APPLIED?

The plan will permit ACTIVE working members with one contribution in the twenty-four months immediately preceding retirement to retire at age 62 without reduction. Ordinarily, the reduction is 6% each year that the member is younger than age 65. This early retirement provision allows eligible members to retire at age 62 with their full pension accrued (not reduced by 6% each year). INACTIVE members are not eligible for this provision.

ACTIVE Example A	ACTIVE Example B
<p>Bob is an active working member who will be 62 in September 2017. Monthly contributions are made to his pension every month between September 2015 and August 2017. Bob meets the 1/24 and would be eligible to retire with a full, unreduced pension on October 1st, 2017.</p>	<p>Bill is an active member on the out-of-work list who will be 62 in September 2017. One contribution was made to his pension in December 2016. Bill meets the 1/24 and would be eligible to retire with a full, unreduced pension on October 1st, 2017.</p>
INACTIVE Example C	INACTIVE Example D
<p>John is an inactive member who will be 62 in September 2017. John left the trade in 2010. In April 2017 John starts thinking about retirement in October 2017 and requests his pension options. He does not work in the trade. Because he does not meet the 1/24 requirement, John's pension will be reduced by 6% each year he is under age 65 (the Normal Retirement Age in the pension plan).</p>	<p>Scott is an inactive member who will be 62 in September 2017. Scott left the trade in 2010. In April 2017 Scott starts thinking about retirement in October 2017 and requests his pension options. Because he does not meet the 1/24 requirement, Scott is informed that his pension will be reduced by 6% each year he is under age 65 (the Normal Retirement Age in the pension plan). Scott finds work through the union and has contributions made to the pension plan in June and July of 2017. Because Scott went inactive in 2010, only the pension earned on his contributions in June and July 2017 would be unreduced. Earlier periods of earned pension would be reduced.</p>

WHAT ABOUT MY RETIREE HEALTH COVERAGE?

This is separate from the health and welfare plan requirements. For fully retired health and welfare benefits, the requirement of 36/60 continues to apply, in addition to the other conditions specific to the health and welfare plan documents.

PENSION FINANCIALS

2016 saw tremendous volatility in the financial markets with the fluctuating price of oil, its impact on energy stocks and the uncertainty of the US election. In response, the Board of Trustees enhanced returns for the pension fund by diversifying the portfolio and reallocating assets amongst new asset classes to better mitigate investment risks. By increasing the exposures to equities, infrastructure, commercial mortgages and hedging currency risk, the fund returned 8.2% in 2016.

As of December 31, 2016, our plan's going concern ratio is 89.5% funded. This is the measure of the plan's financial health, assuming it will continue to operate well into the future. On a solvency basis, the plan is 54.9% funded, which is also known as the transfer ratio. This is the test of the plan's financial health, assuming it will suddenly stop operating – a highly unlikely event. This assumes the plan would have to pay out every cent it owes to active, inactive and retired members all at once. By law, our plan is a Specified Ontario Multi-Employer Pension Plan and we are not required to fund the plan on a solvency basis.

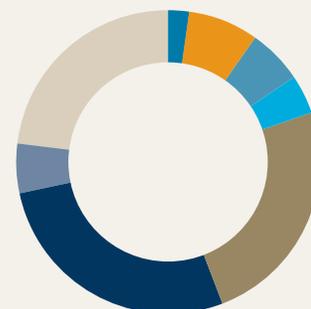
Our discount rate is premised on a 6.4% return and as a result of the investment gains in 2016, we anticipate continuing the shortfall funding until 2022 as planned.

Pension plan results as of December 31 st 2016 (in \$ millions)*		
	2015	2016
Market value of assets	\$1,350.6	\$1,479.1
Smoothing (averaging) adjustment	(\$33.5)	(\$34.5)
Actuarial value of assets	\$1,317.1	\$1,444.6
Going-concern liabilities	\$1,529.7	\$1,614.3
Going-concern excess/(shortfall)	(\$212.6)	(\$169.7)

*based on unaudited financial statements

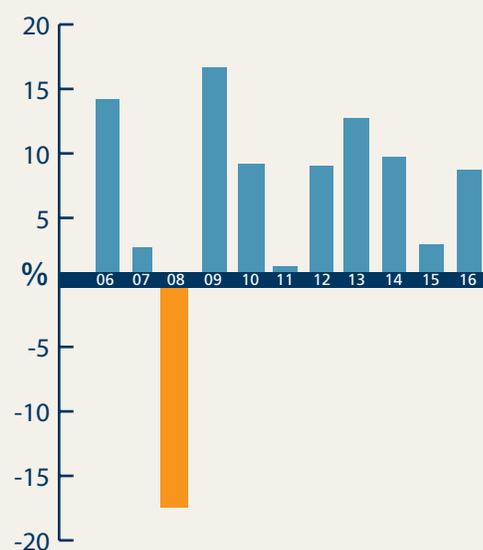
PENSION ASSET MIX

as of December 31, 2016



- Cash and Short-Term – 2.3%
- Infrastructure – 7.7%
- Real Estate – 5.6%
- Mortgages – 4.2%
- Bonds – 24.4%
- Global Equities – 27.6%
- US Small Cap – 5.2%
- Canadian Equities – 23%

INVESTMENT PERFORMANCE



WE WANT TO HEAR FROM YOU!

Do you have a question for us?

Contact us at 416-637-6789 or by email at members@teibas.com

Examples of recent questions:

How do I submit healthcare claims?

When submitting claims for healthcare benefits (eg. massage therapy, physiotherapy, acupuncture, orthotics, vision etc.), you have two options:

- Submit your claim electronically by visiting <https://groupnet.greatwestlife.com>
- Print a "*Great West Life Healthcare Expense Statement Form*" available at myteibas.com and mail the completed form along with the original receipts directly to Great-West Life.

How do I know if my employer has submitted my contributions?

Quarterly Contribution Statements reflect member hours accumulated towards benefit eligibility and contributions paid on your behalf by your employer to various IBEW Local 353 Trust Funds such as the pension plan and RRSP. It is important to review and verify information on your statement as these contributions are what has been reported to TEIBAS by your employer. Your future pension benefits are tied to the amounts reflected on this statement. Quarterly statements are mailed to members, but are also available by logging into myteibas.com.



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TEIBAS

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\$1.5 billion

The pension plan's market value as of February 28, 2017

About this bulletin

This bulletin was prepared on behalf of the Trustees of the Local 353 IBEW Trust Funds. It provides summary information about the Local 353 Health and Welfare Plan and the IBEW 353 Pension Plan (registration number 0598235) in plain language. This publication is not intended to provide advice. If there is any discrepancy between this document and the legal documents that govern the plans, the legal documents will apply. The Trustees expect to maintain these benefit plans indefinitely. However, they reserve the right to change or cancel any or all benefits under the Health and Welfare Plan, the Pension Plan, and the SUB Plan for active and retired members, and their survivors and dependants.

