



IBEW LOCAL 353

Pension & Benefit Plans

protecting
your **FUTURE**

MARCH 2022

ANNUAL SPECIAL CALLED MEETING

The IBEW Local 353 Annual Special Called Meeting will be held virtually on **April 10, 2022** starting at 8:00 a.m.

There are a number of benefit and pension plan changes that will be voted on which are outlined in this newsletter. The recommended items impact your benefits and we encourage members to register and participate in this important annual event.

To participate you'll need to **register with the union no later than Friday, April 8 at 4:30 p.m.**

There are two steps to the registration process:

1. Visit the IBEW Local 353 website at **ibew353.org** and click on the MEMBER LOGIN on the top righthand corner of the page.
2. Complete the electronic registration form and input your credentials to verify your eligibility.

After registering, all eligible voters will receive an email containing a secure code and password to vote on the recommendations through Simply Voting.

Members are being asked to submit their questions ahead of time so that they can be answered at the meeting. There is a place right on the registration form to do this, or you can submit questions to **emeetings@ibew353.org**.

To make sure you are fully informed, there are electronic information meetings taking place in advance of the Special Called Meeting on **March 30, April 5** and **April 7 at 7 p.m.** You can register to attend as outlined above.

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MYTEIBAS.COM WINNERS

Congratulations to Gabriel who won a \$100 gift card in the LifeSpeak Watch and Win Contest!



REGISTRATION NOW OPEN!

Visit the IBEW Local 353 Member Login portal at **www.ibew353.org** and register to participate in the Annual Special Called Meeting on **April 10, 2022**. Deadline to register is **4:30 p.m. on Friday April 8**.

IT'S YOUR VOTE

The proposed benefit and pension changes listed below have been reviewed by the Board of Trustees and the IBEW Local 353 Executive Board and are being recommended by both for a vote by the membership. Improvements that are approved at the meeting will take effect May 1, 2022, unless otherwise noted.

› **Vote #1:**

Continue coverage for out-of-work members at a cost of \$0.11 per hour. Required to be voted on every year.

› **Vote #2:**

Continue coverage for retiree travel insurance to a maximum trip duration of 30 days at a cost of \$0.03 per hour. Required to be voted on every year.

› **Vote #3:**

Increase the annual combined paramedical maximum of \$2,000 to \$2,500 at a cost of \$0.04 per hour.

› **Vote #4:**

Increase the maximum short-term disability amount from \$700 to \$750 per week at a cost of \$0.01 per hour. This new maximum would apply to short-term disability claims where the initial date of disability is May 1, 2022, or later.

› **Vote #5:**

Increase long-term disability benefits in pay and the monthly benefit maximum by 3% effective May 1, 2022, at a cost of \$0.02 per hour.

› **Vote #6:**

Change the early unreduced pension eligibility age from age 62 to age 61.

› **Vote #7:**

Reduce the current \$0.86 hourly contribution rate that does not earn pension to \$0.56 with the other \$0.30 earning pension as of May 1, 2022.

› **Vote #8:**

Regarding the hourly pension contribution rate, members will be entitled to vote for one of the following:

- a. Increase the hourly pension contribution rate to the maximum allowable by law which is \$0.40 per hour.
- b. Increase the hourly pension contribution rate to 50% of the maximum allowable by law which is \$0.20 per hour.
- c. No increase in the pension contribution rate.

MORE ABOUT THE BENEFIT VOTES

The following recommended plan improvements, if approved, will result in an increase to members' hourly contribution rate for benefits as of May 1, 2022:

- Continuing benefit coverage free of charge for out-of-work members and their dependents. The cost this year is \$0.11 per hour, down from \$0.18 last year due to more members working and fewer requiring subsidy.
- Continue to cover retiree travel insurance for a maximum trip duration of 30 days. The cost will increase by \$0.01 to \$0.03 per hour from \$0.02. This increase is largely due to the increase in retired members.
- Increase the annual combined paramedical maximum of \$2,000 to \$2,500 for all eligible members and their dependents for services rendered by a registered acupuncturist, audiologist, homeopath, podiatrist/chiropractist, chiropractor, naturopath, massage therapist, Christian science practitioner, osteopath, occupational therapist, dietician, physiotherapist, and speech therapist at a cost of \$0.04 per hour.
- Increase the maximum short-term disability (STD) amount from \$700 to \$750 per week. If approved the weekly STD coverage for eligible active members will be equal to 75% of basic weekly earnings to a maximum of \$750 per week for new claims where the initial disability date is May 1, 2022 or later. The cost increase is \$0.01 per hour.
- Provide a 3% increase for members in receipt of long-term disability (LTD) and increase the monthly maximum by \$100 to \$3,400. Both changes become effective May 1, 2022. The cost for this change is \$0.02 per hour. There is an additional one time cost of \$1.1 million to pay for improving benefits for members currently on LTD. This will be funded with Trust surplus.

NO VOTE REQUIRED

The IBEW Local 353 Board of Trustees and the IBEW Local 353 Executive Board both approved the following benefit changes which do not require a vote due to their low financial impact, or routine nature (ie., dental fee guide increase). All changes are effective May 1, 2022 unless otherwise indicated.

- Increase the annual maximum for synovial fluid injections (e.g., Synvisc/Orthovisc), to \$2,000. Currently the plan covers \$500 annually.
- Increase the annual combined mental health paramedical maximum from \$2,000 to \$2,500 for all eligible members and their dependents for services rendered by registered psychologists, social workers, psychotherapists, and Intensive Behavioural Intervention (IBI) practitioners with appropriate credentials.
- Add gender affirmation coverage to a lifetime maximum of \$25,000 per covered individual.
- Increase coverage of wigs from once per lifetime to one wig every 24 months for individuals who require them as a result of medical treatment, injury or illness/disease (such as alopecia areata, universalis, or totalis).
- Add coverage for services rendered by a registered audiologist under covered paramedical practitioners.
- Add coverage for non-pharmaceutical fertility treatment to a lifetime maximum of \$5,000 per covered individual.
- Implement an annual combined maximum of \$10,000 per insured for basic and major dental coverage (excluding orthodontics and implants which already have their own maximums). No additional cost to members. This is not intended to save money but rather address potential fraud against the plan.
- Dental fees and services will be reimbursed based on 2023 rates as published by the Ontario Dental Association Suggested Fee Guide for General Practitioners beginning January 1, 2023.



Self-Pay rates for actives, retirees and surviving spouses will remain unchanged for 2022.

ADDING IT UP

Over the one-year period ending December 31, 2021, the IBEW Local 353 Benefit Fund gross rate of return was 13% which outperformed its benchmark return of 8.4% by 4.6%. Although the fund performed well last year, the trustees maintain a cautious approach to plan management to ensure the plan remains sustainable. We have been fortunate to be able to use good investment returns and the resulting unallocated surplus to help keep the contribution rate stable.

The benefit costs that make up the hourly benefit contribution rate:

Benefit	Total cost per hour in 2022/23
Health (drugs, paramedical, vision, hospital care)	\$2.11
Dental	\$1.23
Disability (short term and long term)	\$0.83
Life and accident insurance, critical illness, retiree death benefit, emergency travel insurance, member assistance plan, Best Doctors, leaves	\$0.40
Net Investment income/trust fund expenses	(\$0.12)
Out-of-work subsidies	\$0.11
Retiree travel insurance	\$0.03
SUBTOTAL	\$4.59
Trust subsidy	(\$0.20)*
Hourly cost increase if votes #3, 4 and 5 are approved	\$0.07
TOTAL	\$4.46

*The anticipated cost of the hourly rate for the 2022/23 plan year is \$4.59 (includes out-of-work and retiree travel subsidies). However, the trust fund is able to subsidize this rate.

IBEW Local 353 Benefit Fund Financial Position as of December 2021

	(in \$ millions)
Market value of plan assets on January 1, 2021	\$154.7
Contributions	+65.8
Investment income	+18.3
Benefit payments	-65
Expenses	-6.3
Total	+12.8
Market value of Health & Welfare plan assets on December 31, 2021	\$167.5

Based on unaudited Statement of Financial Position as of December 31, 2021.

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN FINANCIALS

The SUB Plan provides eligible members out-of-work and in receipt of Employment Insurance with a weekly top-up to a maximum of \$150 for up to 35 weeks. Members out-of-work or on an eligible leave should contact the IBEW Local 353 Union Hall to verify SUB eligibility. Over the one-year period ending December 31, 2021, the IBEW Local 353 SUB Plan gross rate of return was 12.7%, which outperformed its benchmark return of 8.4% by 4.3%.

IBEW Local 353 Supplementary Unemployment Benefits Plan (SUB) Financial Position as of December 31, 2021

	(in \$ millions)
Market value of plan assets on January 1, 2021	\$11.3
Contributions	+4.0
Investment income	+2.8
Benefit payments	-3.0
Expenses	-1.2
Total	+2.6
Market value of SUB plan assets on December 31, 2021	\$13.9

Based on unaudited Statement of Financial Position as of December 31, 2021

PENSION FINANCIALS

In 2021, the IBEW Local 353 Pension Trust Fund investment portfolio saw a total fund return of 11.3% versus the benchmark of 11.8%. As of December 31, 2021, our plan's estimated going concern ratio is 103.8%. This is the plan's current financial status assuming it will continue to operate into the future.

The plan's estimated solvency position (transfer ratio) is 67%. This is the level of benefits that could be paid if the plan had ended on December 31, 2021. But our plan is not at risk of ending. 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 plan's contributions continued to be strong, which helps provide a stable financial future for our members.

It was announced to the members last year that as of December 31, 2020 the IBEW Local 353 Pension Plan no longer had a deficit on a going concern basis, which was welcomed news.

In 2021 the trustees did some long term planning, and part of that planning involved surveying members to get input on what is important to them. The results of the survey show that consistently, the majority of plan members want to be able to retire earlier without a reduction.

After the trustees finished modelling various scenarios and reviewing the plan's assets and liabilities, it was determined that not only is the plan in a position to change the unreduced early retirement age from age 62 to age 61, it's also in a position to have \$0.30 cents of the \$0.86 cents start earning pension starting May 1, 2022. \$0.56 cents will continue going into the Pension Plan to provide a cushion for any future challenges.

The pension proposals being voted on are a direct result of the input from members through the survey. In addition, the strong investment returns in 2021 help to make these changes affordable at this time.

IBEW Local 353 Pension Plan Statement of Financial Position as of December 31, 2021

Market value of plan assets on January 1, 2021	\$2,115
Contributions	+113
Investment income	+249
Benefit payments	-89
Expenses	-11
Total	+262
Market value of pension plan assets on Dec. 31, 2021	\$2,377

Based on unaudited Statement of Financial Position as of December 31, 2021.

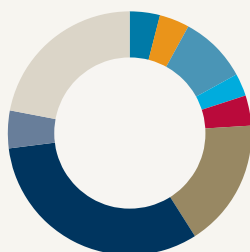
Preliminary Actuarial Valuation results as of December 31, 2021 (in \$ millions)*

	2021	2020
Market value of assets	\$2,376.9	\$2,115.5
Smoothing (averaging) adjustment	(\$174.5)	(\$107.5)
Actuarial value of assets	\$2,202.4	\$2,008
Going-concern liabilities	\$2,121.0	\$2,001.9
Going-concern excess (shortfall)	\$81.4	\$6.1

* Based on preliminary results.

Due to rounding, numbers presented may not add up to the totals provided.

PENSION ASSET MIX *as of December 31, 2021*



■ Cash and Short-Term – 4.7%	■ Bonds – 17.3%
■ Infrastructure – 4.2%	■ Global Equities – 31.6%
■ Real Estate – 8.4%	■ US Small Cap – 5.1%
■ Mortgages – 3.1%	■ Canadian Equities – 22.1%
■ Private Debt – 3.5%	

EARLY UNREDUCED RETIREMENT AGE

If vote # 6 is approved eligible members will have the option to retire with an unreduced pension commencing at age 61 vs. the current age of 62. For a member to be eligible for an unreduced pension at age 61 a member must have had pension contributions in at least 1 out of the last 24 months prior to their retirement date.

CONTRIBUTIONS NOT EARNING PENSION

If vote # 7 is approved the current \$0.86 currently not earning pension would be reduced to \$0.56 and the other \$0.30 would start earning pension effective the May 2022 work month, at the current factor of 1.2%.

ADDITIONAL PENSION PLAN INFORMATION

Due to recent changes in the Income Tax Act, effective May 1, 2022, if a working member is in receipt of their monthly IBEW Local 353 pension, any pension contributions remitted by the employer will be redirected to the IBEW Local 353 Benefit plan, and the member will have the equivalent hours credited to their hour bank and recorded as contributory hours.

UPCOMING SEMINARS AT THE SOUTH UNION HALL

TEIBAS regularly holds in-person pension and benefits information sessions and on-line webinars. The following member seminars are coming up:

- **Online Active Member Seminar**
Wednesday April 27, 2022 at 7 p.m.
- **Online Pre-Retirement Seminar**
Thursday April 28, 2022 at 7 p.m.
- **In-person Pre-Retirement Seminar**
Saturday May 7, 2022 at 9 a.m. to be held at the IBEW Local 353 Union Hall located at 1377 Lawrence Ave East.

Please pre-register by calling **416-637-6789** (toll free **1-800-267-0602**) or emailing members@teibas.com.

TEIBAS also offers personal one-on-one sessions to review your retirement options. Contact us to book a time.

MEMBERS OF THE IBEW LOCAL 353 TRUST FUNDS BOARD OF TRUSTEES



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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 Employee Life & Health Plan, the Pension Plan, and the SUB Plan for active and retired members, and their survivors and dependants.

