



Special Called Meeting set for April 12, 2015

DOUBLING YOUR HOUR BANK and PROTECTING YOUR FUTURE

Continuing to build on last year's economic gains, the pension plan generated a 9.6% investment return on increased work hours and contributions. Over the past few years, the membership has funded a financial cushion in the benefit plan in order to offset potential poor investment returns and unexpected expensive claims. This healthy financial cushion has put the health and welfare fund in great shape.

As a result, the Board of Trustees and the IBEW Local 353 Executive Board have unanimously recommended doubling the hour bank balances of members in benefit as of May 1st and offering the members the opportunity to vote on several improvements to the benefit plan. This special newsletter provides important details about these benefit improvements that will be voted on at the Special Called Meeting on Sunday, April 12th, 2015 at 9:00 a.m. If you think these benefit improvements could be helpful to the membership of Local 353, please come to the meeting and cast your ballots!

If approved by the membership, the benefit plan will provide coverage for semi-private hospital rooms, a vaccine to prevent shingles, increasing the vision reimbursement to \$600 every 24 months, and glucose monitors for diabetics. Retirees and members over age 65 could also see their \$100 Ontario Drug Benefit deductible covered by the plan and access to Best Doctors.

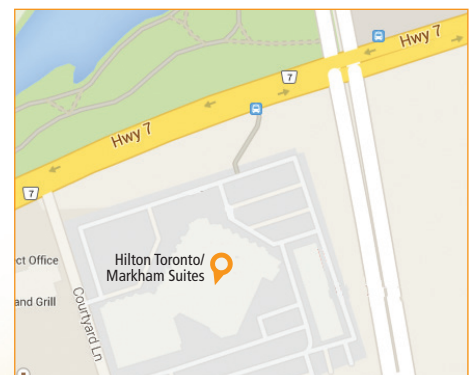
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SPECIAL CALLED MEETING SUNDAY, APRIL 12, 2015

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

When: 9:00 a.m.



MyTEIBAS.com: online access to your information

TEIBAS is pleased to unveil our new website and member portal on April 12th, giving active members of IBEW Local 353 online access to pension and benefit information. By logging on through www.ibew353.org, www.teibas.com, or www.myteibas.com, you will be able to see the information we have on file for you - such as your mailing address, your dependants and beneficiaries, your quarterly contribution statement and your annual pension statement.

IT'S YOUR VOTE

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

We understand how important your pension and benefit plans are to you and your family, and we want to make sure that the plans are run in a way that respects our members' wishes. That's why we ask you to attend a Special Called Meeting each spring, so you can cast your vote on any proposed plan changes.

This year's votes are outlined below.

Vote #1: Add semi-private hospital coverage - 4 cents

Recommended by the Trustees and Executive Board	Cover semi-private hospital coverage at a cost of \$0.04 per hour effective May 1, 2015.
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Vote #2: Shingle vaccine - 1 cent

Recommended by the Trustees and Executive Board	Add shingles vaccine as an eligible drug at a cost of \$0.01 per hour, effective May 1, 2015.
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Vote #3: Vision coverage increase - 6 cents

Recommended by the Trustees and Executive Board	Increase vision coverage from \$450 to \$600 every 24 months (excluding eye exams) at a cost of \$0.06 per hour effective May 1, 2015.
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Vote #4: Continuous Glucose Monitors - 1 cent

Recommended by the Trustees and Executive Board	Add continuous glucose monitors as a covered medical device under the current insulin pump plan rules at a cost of \$0.01 per hour effective May 1, 2015.
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Vote #5: Best Doctors - 2 cents

Recommended by the Trustees and Executive Board	Extend Best Doctors to retirees and members over age 65 at a cost of \$0.02 per hour effective May 1, 2015.
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Vote #6: Ontario Drug Benefit (ODB) deductible - 1 cent

Recommended by the Trustees and Executive Board	Cover annual ODB deductible of \$100 for retirees and members over age 65 at a cost of \$0.01 per hour effective August 1, 2015.
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Vote #7: Out-of-work member coverage - 18 cents

Recommended by the Trustees and Executive Board	Continue to cover out-of-work members at a cost of \$0.18 per hour (down from \$0.19 per hour last year), maintaining this year's total contribution rate of \$3.85 per hour.
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Vote #8: Pension plan contribution increase - to be determined

Recommended by the Trustees and Executive Board	Increase the hourly contribution rate to the plan's maximum allowed contribution rate. This includes the \$0.86 per hour to help pay down the shortfall.
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A SOLID BASE FOR BENEFIT PLAN IMPROVEMENTS

The year in review

2014 was a really good year for the plan, due to increased work hours and strong investment returns. We also had a solid base built into the funding of the plan with members funding a financial cushion over the past few years. As a result, we can use some of this financial cushion to offset increasing costs in the benefit plan. Seven cents per hour from this financial cushion is being used to maintain the contribution rate at \$3.85.

To be safe, we're going to set aside a special reserve equal to 15% of the plan's assets to protect the plan against poor investment returns and high unexpected claims.

Since strong work levels also mean fewer out-of-work members, we can reduce the cost of covering out-of-work members from \$0.19 per hour last year, to \$0.18 this year. This reduction will be voted on at the Special Called Meeting on April 12th. (See vote #7). If this vote is rejected, the hourly contribution rate will drop to \$3.67 (\$3.85 minus \$0.18).

Out-of-work members who do not have enough hours to pay for their coverage will be notified and given the opportunity to buy benefit coverage through a self-pay package.

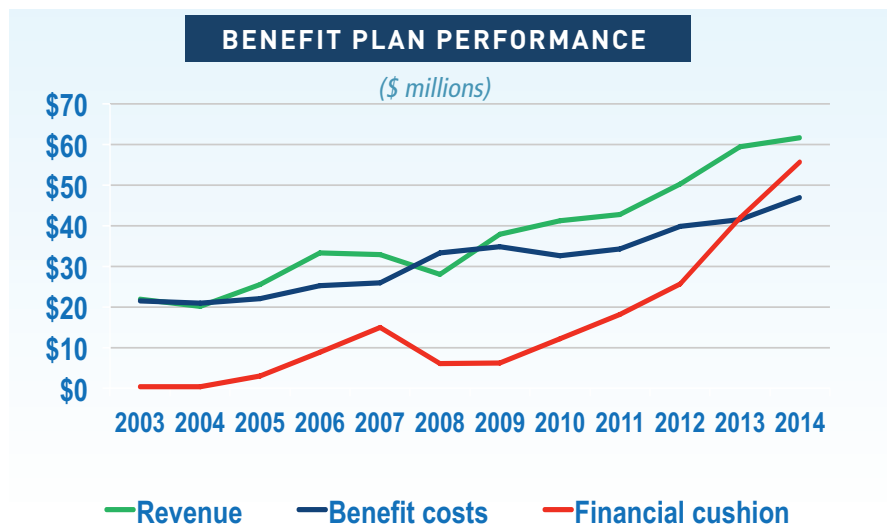


How will your hour bank look now?

All members in benefit with an hour bank balance on May 1st will see that amount doubled this spring. For example, if your hour bank currently has 1,000 hours, TEIBAS will credit 1,000 hours to your hour bank, bringing your total to 2,000 hours.

This means that the current maximum cap of 1,620 hours will go up to 3,240 hours.

Your quarterly contribution statement will reflect this new change as of May 1st, and you will receive it in August 2015.



New benefits for Retirees & Members over age 65

Votes #5 and #6 apply to retirees and members over age 65. These items will be voted on at the Special Called Meeting on April 12th, 2015.

The Board of Trustees and the IBEW Local 353 Executive Board recommend new additional coverage for retirees and members over age 65, that include access to Best Doctors at a cost of \$0.02 per hour. This is an excellent benefit that provides an expert review of a medical diagnosis and can help members in seeking a second opinion on treatment.

Also, the Benefit Plan would cover retirees and members over age 65 for their 2015 \$100 Ontario Drug Benefit deductible, at a cost of \$0.01 per hour.

Self-Pay Coverage

Due to increasing costs, self-pay rates will be increased starting May 1st. \$300 per month buys Standard Coverage and \$465 per month buys Deluxe Coverage.

For more information about the benefits covered under the self-pay options, please visit www.teibas.com

VOTING TO IMPROVE COVERAGE FOR ALL

A healthy plan means more coverage

Over the past year, the following improvements were requested by plan members and approved by the Trustees and Local 353's Executive Board. These improvements can be made with the noted increases to the health and welfare contribution rate:

- **Four cents per hour buys semi-private hospital coverage (\$0.04)**
Currently semi-private hospital coverage is not eligible under the Plan. Effective May 1st, 2015, semi-private hospital coverage will be available to all members and their dependants.
- **Six cents per hour buys vision increase to \$600 every 24 months (\$0.06)**
Currently the Plan covers \$450 every 24 months for vision coverage. Effective May 1st, 2015, vision coverage will increase to \$600 every 24 months. This amount excludes eye exams.
- **One cent per hour buys shingles vaccine (\$0.01)**
Shingles is a painful rash that can occur mainly around the torso, but can affect the face and eyes. To help prevent shingles and help manage the pain, the Benefit Plan will provide shingles vaccine coverage.

- **One cent per hour buys continuous glucose monitors for diabetics (\$0.01)**
Continuous Glucose Monitors (CGM) have been used more and more by individuals with diabetes due to the CGM's ability to both continuously monitor glucose levels and automatically inject insulin via an insulin pump when required. Effective May 1st, 2015, coverage of 50% within the current maximum of \$3,000 every 60 consecutive months will be available to all members and their dependants.

VOTING TO IMPROVE COVERAGE FOR RETIREES & MEMBERS OVER AGE 65

- **Two cents per hour buys Best Doctors coverage (\$0.02)**
Best Doctors provides access to a wide range of top medical specialists who can help you better understand your medical conditions and point you in the right direction for diagnosis, treatment and care options. Currently available only to active members up to age 65, starting May 1st, 2015, retirees and members over age 65 will have access to Best Doctors services.
- **One cent per hour buys Ontario Drug Benefit Coverage (\$0.01)**
The ODB deductible of \$100 required to be paid by retirees before ODB drug coverage begins to provide coverage for eligible prescriptions. Effective August 1st, 2015 the ODB deductible will be covered for all retirees and their spouses.

ADDING IT UP

The benefit costs that make up our hourly contribution rate

Benefit	Total cost per hour in 2015	Increase/decrease from 2014
Health (drugs, paramedical and vision care)	\$1.82	\$0.24
Dental (includes update to 2014 Dental Fee Guide)	\$0.99	-\$0.01
Disability (short term and long term)	\$0.73	-\$0.03
Life and accident insurance, retiree death benefit, travel, member assistance, Best Doctors, maternity/parental leave	\$0.26	-\$0.05
Investment income / trust fund expenses	-\$0.06	-\$0.07
SUBTOTAL	\$3.81	\$0.08
Out-of-work subsidies	\$0.18	-\$0.01
Financial cushion	-\$0.07	-\$0.07
New benefits	\$0.15	\$0.15
TOTAL	\$4.00	\$0.15

A GOOD YEAR FOR PENSIONS

The year in review

Markets in 2014 were strong and our plan did well, generating a 9.6% return overall. On a going concern basis, our plan is in healthy shape as a result. Last year's robust work hours and contributions plus solid investment returns helped to reduce the shortfall. Extremely low interest rates and new research on how long our members are expected to live require changes to our actuarial assumptions. Both of these result in changes to the plan liabilities which will delay the phasing-out of the \$0.86 contribution to the shortfall. Provided we continue to see high levels of employment and good financial returns, the plan actuary anticipates this shortfall can be eliminated by 2021.

Because the plan is doing well, the Trustees and Executive Board are not recommending any changes to the pension plan this year. As usual, they recommend increasing the hourly contribution rate to the maximum allowed (vote #8). This will help to ensure pensions keep pace with wage increases.

FINANCIAL CHECK-UP FOR PENSION PLAN

Pension valuations show how our plan is doing

By law, the plan is required to conduct a test of its health – called a valuation – every three years. Our next official check-up isn't required until December 31, 2016, but an interim review was conducted as of December 31, 2014. The table below shows the results of that review.

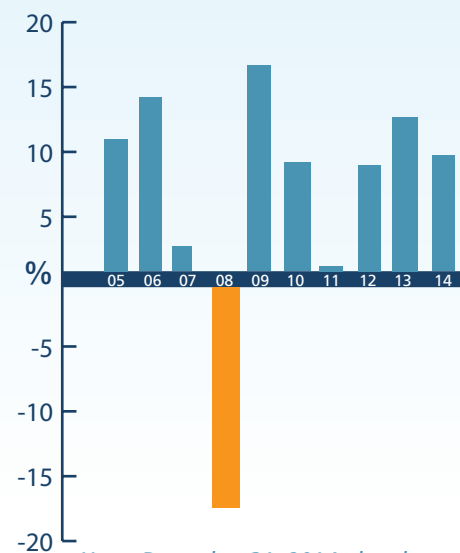
Keep in mind that, as a Specified Ontario Multi-Employer Pension Plan (SOMEPP), we don't have to make costly payments to fund a solvency shortfall. That's because a solvency shortfall would apply only if the plan ended – which is highly unlikely for a plan like ours with over 400 employers. The going-concern shortfall, on the other hand, must be paid down within 12 years.

Type of valuation	What it's for	Results as of December 31, 2014
Going concern	Measures financial health of plan assuming it will continue to operate well into the future. Shortfalls must be paid down over 12 years.	84% funded, based on an expected rate of return of 6.4%.
Solvency <i>(For information purposes only)</i>	Tests the health of the plan assuming it suddenly stopped operating on the valuation date – a highly unlikely event. Measures the plan's ability to pay out the total value of all benefits earned by active, inactive and retired members at once.	55% funded (also referred to as 55% transfer ratio).

Pension plan results as of December 31 st (in \$ millions)*		
	2014	2013
Market value of assets	\$1,266.2	\$1,127.9
Smoothing (averaging) adjustment	(\$54.7)	(\$31.5)
Actuarial value of assets	\$1,211.5	\$1,096.4
Going-concern liabilities	\$1,445.9	\$1,264.3
Going-concern excess/(shortfall)	(\$234.4)	(\$167.9)

*based on unaudited financial statements

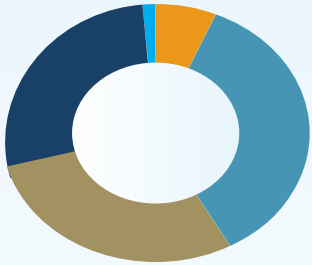
INVESTMENT PERFORMANCE



Up to December 31, 2014, the plan needed to earn 6.4%; Average 10-year return is 5.9% (annualized)

PENSION ASSET MIX

as of December 31, 2014



Cash and Short-Term – 5.7%

Bonds – 36.9%

Foreign Stocks – 27.7%

Canadian Stocks – 27.1%

Infrastructure – 2.4%

\$1.26 billion

The pension plan's market value as of
December 31, 2014



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TEIBAS

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Industry **Benefit**
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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 Health and Welfare Plan, the Pension Plan, and the SUB Plan for active and retired members, and their survivors and dependants.



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