



IBEW LOCAL 353 Pension & Benefit Plans

protecting
your FUTURE

APRIL 2016

Special Called Meetings for ICI Sunday, April 17, 2016 and LRA Wednesday, April 20, 2016

Read on for important vote details

Our annual Special Called Meeting is your chance to have a say in the future of our pension and benefits plans. Work levels have been high—and that's great news for our plans. More work means more contributions coming in to help pay for pensions and benefits. But we need your help to understand what matters most to you and your family so that we can make sure the plans continue to meet your needs.

Inside you'll find details on four votes that will take place. Two of these involve questions that we ask you every year: Should we continue to cover out-of-work members under the benefits plan? And, should we increase contributions to the pension plan?

Another vote is about generic drugs. Prescription drug coverage is one of the most expensive benefits in the Local 353 plan and costs are on the rise. For this reason, the Trustees are recommending that we make the move to generic drugs something many other plans have already done. Generics use the same active ingredients and meet exactly the same quality standards as brand name drugs. In many cases, they're even made by the same company. But generics come at a much lower price. Switching to generics will save the plan about \$785,000 in the first year alone—money which can then be applied to other benefits—with no negative impact on members. You can still choose to buy a brand name drug, but the plan will reimburse you based on the generic, unless you have a medical reason for taking the brand.

The fourth vote is about a simple housekeeping change to the pension plan text (the legal document that governs the pension plan).

Why make improvements now? We believe that the Plan's funded position allows for these benefit improvements that members have requested. Also, retiree death benefits will now be paid from a separate fund that will hold roughly one year's expected costs and this frees up some of the special reserve that was being held for these benefits.

ICI Special Called Meeting

Sunday, April 17, 2016

When: 9:00 a.m.

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



LRA Special Called Meeting

PLEASE NOTE CHANGE OF DATE!

Wednesday, April 20, 2016

When: 7:00 p.m.

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



A new and improved myTEIBAS.com

TEIBAS will unveil our new and improved member portal for active members and retirees at the Special Called Meeting! When you login at www.myteibas.com, in addition to the information we have on file for you, you'll now be able to see more details about your benefits coverage. And don't forget to check out our easy-to-use pension calculator that comes pre-loaded with your personal pension history.

BENEFIT IMPROVEMENT PACKAGE - NO VOTE REQUIRED!

Based on the Plan's funded position, the improvements listed below are being added with no increase in contributions. All improvements will take effect on May 1, 2016, except the improved coverage for the ODB deductible for seniors, which will start August 1. More details on these improvements will be included in the next newsletter.

Active members (not collecting a Local 353 pension)

- Your life insurance will increase from \$100,000 to \$150,000.
- Your spouse will now automatically be covered for \$40,000 of life insurance and each child will be covered for \$10,000
- Your accident insurance will increase from \$100,000 to \$150,000 (your spouse's coverage will remain at \$40,000 and each child will continue to be covered for \$10,000).
- New critical illness insurance will pay up to \$25,000 for certain conditions if you're under age 65 (see sidebar).

All members

- Hepatitis A&B vaccines, prostate specific antigen (PSA) tests, and smoking cessation medication will now be covered (subject to reasonable and customary limits).
- Hearing aid coverage will increase from \$500 every five years to \$750 every three years.
- Laser eye surgery will be covered up to a lifetime maximum of \$2,000 per eye. This is separate from the \$600 vision coverage every 24 months.
- For members 65+, coverage for the annual Ontario Drug Benefit (ODB) deductible which will increase from \$100 to \$170 starting on August 1, 2016

What is critical illness insurance?

If you have a critical condition, you may also be facing a lot of unexpected expenses, like loss of income by a family member who's taking time off to help you out. Critical illness coverage helps you worry less about your finances so that you can focus on getting better.

Starting on May 1st 2016, if you're diagnosed with one of 22 covered conditions such as Alzheimer's, life threatening cancer, heart attack, knee/hip replacement, multiple sclerosis, or Parkinson's disease you may qualify for some or all of the \$25,000 benefit. This is paid as a tax-free lump sum in addition to any other benefits you may receive. Conditions that started before May 1, 2016 will be excluded and a waiting period or survival period will apply.

ADDING IT UP

Benefit	2015 Cost
Drugs	\$0.80
Medical	\$0.79
Vision	\$0.23
Dental	\$0.98
Disability	\$0.66
Life, accident, travel, leaves, Member Assistance Plan, Best Doctors	\$0.20
Investment income / trust expenses	-\$0.06
Out-of-work subsidies	\$0.17
Improvements	\$0.23
TOTAL	\$4.00

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	
Recommended by the Trustees and Executive Board	Continue to cover out-of-work members at a cost of \$0.17 per hour (down from \$0.18 last year), for a total contribution rate of \$4.00 per hour. The \$0.01 reduction is possible because we have fewer 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. By maintaining the contribution rate at \$4.00, out-of-work members will remain covered to May 1, 2017.
Vote #2: Switch to generic drugs	
Recommended by the Trustees and Executive Board	Reimburse drug expenses based on the lowest priced alternative, which is usually a generic drug. Brand-name drugs will be reimbursed only if there is a medical reason provided by a doctor why you need to use the brand. The change will take effect November 1, 2016 to give you time to talk to your doctor or pharmacist about the change.
Why:	Generic substitution will have no negative impact on members and will lead to substantial savings that the Trustees can reinvest in the plan.
Vote #3: Increase pension contributions	
Recommended by the Trustees and Executive Board:	Increase the hourly contribution rate to \$7.76, which is the maximum allowed by law based on a \$1.00 increase in the wage package. For ICI members: increase by \$0.16 from \$7.60 to \$7.76 For LRA members: increase to be determined. This contribution rate includes \$0.86 per hour to help pay down the shortfall.
Why:	The amount of your pension is directly related to how much you contribute to the plan. Contribution increases are necessary to help your pension keep pace with wage increases and inflation. Historically, the membership has continued to vote "yes" to contributing the maximum allowed under tax law.
Vote #4: Make housekeeping change to pension plan	
Recommended by the Trustees and Executive Board:	Add the following to the definition of "Voluntary Participant" in the legal document that governs the pension plan: "Any person employed by an employer that has entered into a participation agreement directly with the Board of Trustees whereby the employer has agreed to make pension contributions to the Pension Fund on account of the person on such terms and conditions as determined by the Board of Trustees."
Why:	This change will expand the types of employees that can join the plan once their employer has signed a participation agreement.

WHAT YOU NEED TO KNOW ABOUT GENERICS

The good news is that huge advances in prescription drugs are helping many of us live longer and enjoy life more. The not-so-good news is the high cost of these new drugs! A single prescription can run into many thousands of dollars per person per year.

The drug benefit is one of the most expensive coverages in the IBEW Local 353 plan and it's growing fast. To help safeguard our plan, while keeping the same high level of protection for our members, the Trustees are recommending switching to generic drugs.

With "enhanced generic substitution," claims for brand-name drugs will be reimbursed based on the lowest priced alternative usually a generic substitute. You're free to submit a claim for a brand-name drug, but our plan will only pick up the cost of the alternative unless there is no generic substitute or there is a medical reason why you can't take the lower-priced drug. If you can't take the alternative, your doctor will be asked to complete a Request for Brand-Name Drug Coverage form for you to submit to Great-West Life.

The switch to generics won't happen until November 1, 2016 to give you time to talk to your pharmacist or doctor about changing your prescription.

It's estimated that the plan will save about \$785,000 in the first year alone by making this change. These savings will be put to better use for our members – for example paying for the very expensive drugs that cure Hepatitis C, or future benefit improvements.

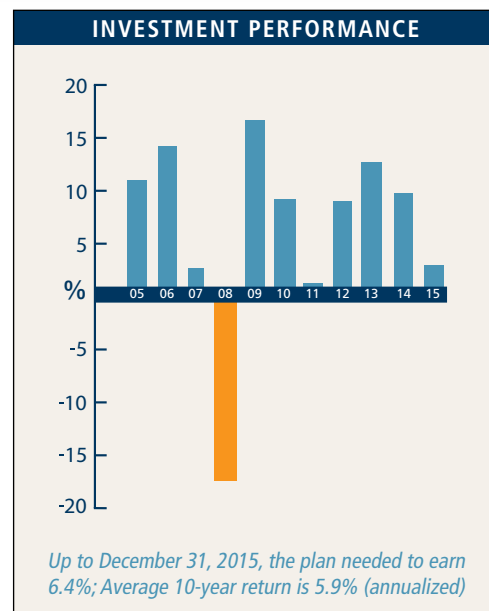
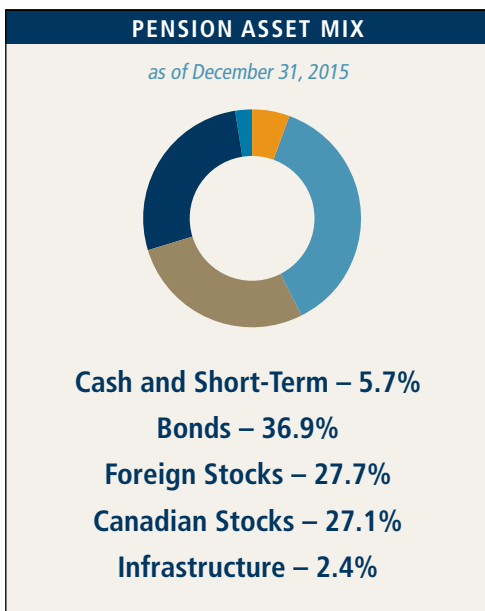
MYTHS VS. FACTS

	True	False
Brand names work better		✓
Brand name drugs are safer		✓
Generics use lower quality ingredients		✓
Brand-name drugs are made in modern manufacturing facilities, and generics are often made in substandard facilities		✓
Most hospitals use generic drugs for in-patient care	✓	
The Ontario Drug Benefit program for seniors uses generic substitution	✓	
Both brand name and generic drugs pose a risk of allergic reaction or sensitivity	✓	

HIGH WORK LEVELS HELP PENSION PLAN

The pension fund grew from \$1.27-billion to \$1.35-billion in 2015, despite slow investment markets. The overall investment return for the year was 4.5%, which was lower than the long-term target of 6.4% per year. This was due partly to the drop in oil prices, which pushed the Canadian market down. On the bright side, the weak Canadian dollar boosted returns on foreign investments when they were converted back into Canadian dollars. And the high work levels translated into a healthy flow of contributions into the plan.

The fact that the plan didn't meet its 6.4% investment target has no immediate impact on the plan and the Trustees aren't recommending any changes. But it does mean that there will likely be a one-year delay in the estimated period to pay down the pension shortfall. If we continue to see high levels of employment and the plan makes its 6.4% investment target, the shortfall should be eliminated by 2022.



- CURRENT INVESTMENT MANAGERS**
- ACM Advisors
 - AGF Investments
 - Baillie Gifford
 - CIBC Global Asset Management
 - Fengate Capital Management
 - Fiera Capital
 - Greystone
 - RBC Global Asset Management
- To address low interest rates and help manage risk, the plan will also shift some investments to high quality commercial mortgages, U.S. small cap stocks, and Canadian commercial real estate funds in 2016.*

\$ 1.35 billion
The pension plan's market value as of December 31, 2015

Pension plan results as of December 31 st (in \$ millions)*		
	2015	2014
Market value of assets	\$1,347.8	\$1,266.2
Smoothing (averaging) adjustment	(\$31.3)	(\$54.7)
Actuarial value of assets	\$1,316.5	\$1,211.5
Going-concern liabilities	\$1,529.7	\$1,445.9
Going-concern excess/(shortfall)	(\$213.2)	(\$234.40)

*based on unaudited financial statements

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 create an account on myteibas.com?

If you are an active member (not suspended/retired), go to www.myteibas.com, click "Create an account" and enter the required information. You will receive an email with a password that you must use along with your email address to login. Retired members and surviving spouses will have access starting April 17, 2016.

Can my spouse sign my claim form or do I have to?

As a member, you must sign all claim forms, whether the claim is for you, your spouse or you child. The original claim forms and receipts must then be submitted to Great-West Life. But don't forget to make a copy for your files!



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IBEW Local 353

Peter Calabrese
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TEIBAS

Toronto **Electrical**
Industry **Benefit**
Administrative **Services**

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705 – 110 Sheppard Ave. East, Toronto, ON, M2N 6Y8

IMPORTANT BENEFITS IMPROVEMENT PACKAGE

Check inside for details on the Special Called Meeting and a whole new package of benefit improvements that will take effect this year.

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.

