



IBEW LOCAL 353

Pension & Benefit Plans

protecting
your **FUTURE**

MARCH 2019

ANNUAL SPECIAL CALLED MEETING

The past year saw significant market volatility with both our pension plan and health and welfare plan ending the year with a negative return.

Although 2018 turned out to be a challenging year for our plans, with more members working and contributing to the plans, a growing IBEW Local 353 membership, along with good governance and investment diversification strategy contributed in helping our plans to weather the 2018 returns.

Throughout the year members provide and submit suggested benefit plan changes. Based on member feedback, the Trustees have increased the hour bank balance maximum. Increasing the hour bank balance will allow eligible members to maintain benefit coverage for up to 3 years. Psychotherapists were added to paramedical benefits as they are now regulated. Due to member concerns, dental polishing will now be an eligible benefit expense under the benefit plan and the dental fee guide will be updated to reflect the 2020 rates effective January 1, 2020.

Benefit changes that will require members to vote, are outlined on the following pages. Members should plan to attend the Special Called meeting to hear about the recommended changes as they do impact members' hourly benefit and pension contribution rates.

This year the pension plan actuary is not recommending any pension plan changes. But each year members vote on increasing the pension hourly contribution rate to the maximum level allowable by law.

We encourage you to read this newsletter and attend the Special Called Meeting on Sunday April 14, 2019 at 9AM. Please come to the meeting to learn about the recommended plan changes and cast your vote!

WELCOME OUR NEW CEO

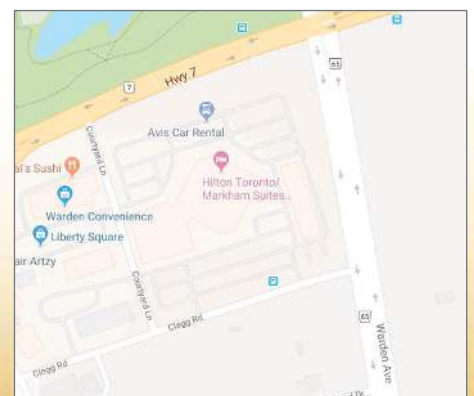
The Board of Trustees are pleased to welcome Kim Macpherson to TEIBAS as CEO. With over 25 years of experience working in unionized environments, coupled with a strong background in pension and benefits, Kim brings a wealth of knowledge and experience that will be of value in ensuring that TEIBAS continues delivering the best service to our members.

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SPECIAL CALLED MEMBERSHIP MEETING

SUNDAY, April 14, 2019 @ 9:00 a.m.
Hilton Toronto/Markham Suites
Donald Cousens Conference Centre
(2nd Floor) 8500 Warden Ave.
Markham, ON L6G 1A5



Have you signed up?

To date, over 5,000 active working members and retirees have instant access to benefit and pension plan information such as pension estimators, reviewing beneficiaries on file, claim forms, and much more.

Visit
myteibas.com

IT'S YOUR VOTE

Below are this year's proposed benefit plan votes. It is extremely important that members attend the Special Called Meeting as benefit proposals not only impact your benefit coverage but your hourly contribution rate as well. These changes have been recommended by the Board of Trustees and the IBEW Local 353 Executive Board. Approved benefit improvements are effective May 1, 2019.

› **Vote #1:**

Continue to cover out-of-work members at a cost of 10 cents per hour. Voted on every year.

› **Vote #2:**

Continue to provide retiree travel insurance coverage for a maximum trip duration of 30 days at a cost of 2 cents per hour. Voted on every year.

› **Vote #3:**

Change the eligibility criteria for retiree benefits from existing language "covered in the plan for 36 of the last 60 months prior to retirement" to new language "either covered in the plan for 36 out of the last 60 months prior to retirement or 39,000 hours of contributory service in the benefit plan", at a cost of 1 cent per hour.

› **Vote #4:**

Add coverage for continuous and flash glucose monitoring devices for individuals with type 2 diabetes and on insulin at a cost of 2 cents per hour.

› **Vote #5:**

Add doctor's notes as an eligible expense to an annual maximum of \$300 per member at a cost of 1 cent per hour. (Active member benefit only).

› **Vote #6:**

Increase the hourly pension contribution rate from \$8.07 to \$8.24. Rate includes 86 cents per hour for pension shortfall.

SUGGESTED BENEFIT CHANGES

If approved, the following proposed benefit plan changes will result in an increase to members' hourly contribution rate as of May 1, 2019. Benefit changes and resulting per hour contribution rate increase are outlined below:

- One cent per hour to change retiree benefit eligibility to "either covered in the plan for 36 out of the last 60 months prior to retirement **or** 39,000 hours of contributory service in the benefit plan." All other retiree benefit eligibility requirements remain the same.
- Two cents per hour adds coverage for continuous and flash glucose monitoring systems for individuals who have type 2 diabetes and are on insulin.
- One cent per hour adds doctor's notes as an eligible expense to an annual maximum of \$300 per member (active member benefit only).

NO VOTE REQUIRED

Effective May 1, 2019, the following benefit changes do not require a vote:

- Members can now build their hour bank balance from 3,240 to a maximum of 4,860 hours. This is effective for work hours received after May 1, 2019. Increasing the hour bank balance will allow eligible members to remain eligible for benefits for up to three years.
- Services rendered by a registered psychotherapist in Ontario are now covered. This service would be part of the annual \$2,000 paramedical coverage.
- Provide dental polishing for all members and eligible dependents.
- Dental fees and services will be reimbursed based on 2020 rates as published by the Ontario Dental Association Suggested Fee Guide for General Practitioners, beginning January 1, 2020.

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UPCOMING SEMINARS AT SOUTH UNION HALL

TEIBAS offers seminars throughout the year that focus on educating members on their pension and benefits.

- **Pre-retirement Seminar (Age 60+)**
May 4, 2019
- **Pre-retirement Seminar (Age 60+)**
September 21, 2019
- **Retiree Seminar**
October 12, 2019
- **Active Member Benefit Seminar**
November 2, 2019
- **Pre-retirement Seminar (Age 60+)**
November 9, 2019



Seating is limited, so please call us at 416-637-6789 or email us at members@teibas.com. Saturday morning seminars are from 9-11:30 am

ADDING IT UP

The strong financial position of the health and welfare plan, along with more members working help to weather the financial market instability. Over the one-year period ending December 31, 2018, the Health and Welfare Fund gross rate of return was -0.1%, which outperformed its benchmark return of -1.3% by 1.2%.

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

Benefit	Total cost per hour in 2019
Health (drugs, paramedical and vision care)	\$2.10
Dental	\$1.01
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, maternity/parental leave	\$0.39
Net Investment income/trust fund expenses	(\$0.18)
SUBTOTAL	\$4.15
Out-of-work subsidies	\$0.10
Retiree travel insurance	\$0.02
Total	\$4.27
Hourly cost increase if votes #3,4,5 are approved	\$0.04
TOTAL	\$4.31



Self-Pay Coverage

Premiums for self-pay rates for actives, retirees and surviving spouses will not increase in 2019.

UPDATE TO OHIP+

Effective April 2019, OHIP+ drug coverage will only be available to Ontarians under the age of 25 if they do not have drug coverage through a private drug benefit plan. As a result of this change, plans like ours will now be the only payor for drug claims previously covered by OHIP+.

Drug claims for eligible dependents under age 25 will now be submitted to our plan. Dependents are eligible under the benefit plan up to the age of 21. Coverage continues if dependent is under age 25 and studying full-time at an approved post-secondary institution.

Login to myteibas.com to review your eligible dependants on file.

PENSION FINANCIALS

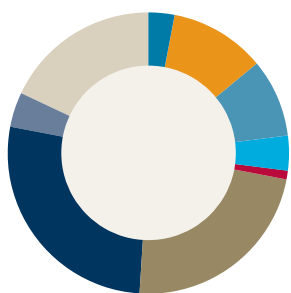
From an investment standpoint, 2018 was a challenging year for our pension plan which resulted in a return of -2.7%, versus our target return of 6.4%.

Even in light of the financial market challenges, the plan's most recent valuation shows it is stable and in solid financial health. As of December 31, 2018, our plan's estimated going concern ratio is 95.4% funded. This is the plan's current financial status assuming it will continue to operate into the future. We anticipate continuing the shortfall funding (\$0.86).

The plan's estimated solvency (transfer ratio) is 57.8%. This is the level of benefits that could be paid if the plan had ended on December 31, 2018. 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.

Pension plans like ours, are designed to operate for many years, so longer-term performance is key. Shorter periods of poor performance are more than offset by longer periods of strong returns. Our plan's contributions continued to be strong, which helps provide a stable financial future for our members.

PENSION ASSET MIX *as of December 31, 2018*



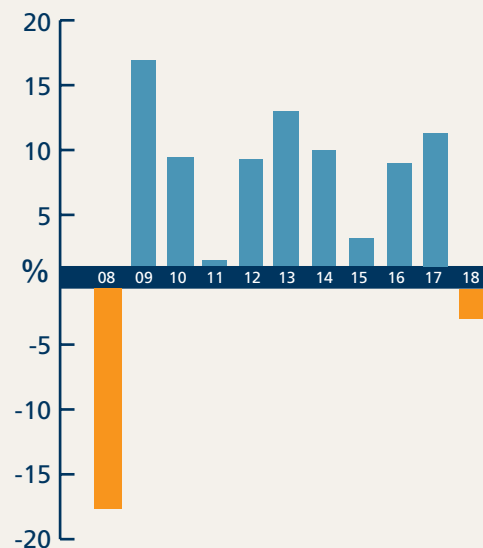
- Cash and Short-Term – 2.81%
- Infrastructure – 11.12%
- Real Estate – 9.38%
- Mortgages – 4.18%
- Private Debt – 1.08%
- Bonds – 21.67%
- Global Equities – 27.31%
- US Small Cap – 4.11%
- Canadian Equities – 18.34%

Pension plan results as of December 31st 2018 (in \$ millions)*

	2017	2018
Market value of assets	1,672.8	\$1,648.0
Smoothing (averaging) adjustment	(73.0)	\$69.0
Actuarial value of assets	\$1,599.8	\$1,717.0
Going-concern liabilities	\$1,703.9	\$1,799.1
Going-concern excess/(shortfall)	(\$104.1)	(\$82.1)

*based on unaudited financial statements

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:

Do we have semi-private hospital coverage?

Yes. The plan covers the difference between semi-private and standard ward rate accommodations for acute care stays in publicly funded hospitals in Ontario.

Do I need a doctor's note for physiotherapy, chiropractor services or massage therapy?

No. You do not need a doctor's note for services completed by a physiotherapist, chiropractor or massage therapist. All providers must be registered with the applicable provincial body in the province services are completed in.

How do I find out my hour bank balance?

Your hour bank balance is available on your quarterly contribution statement. Log into myteibas.com to view your most recent statement.

MEMBERS OF THE IBEW LOCAL 353 TRUST FUNDS BOARD OF TRUSTEES



Bill Acorn
IBEW Local 353

Jeff Irons
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TEIBAS

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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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