



Millwrights Local 2736 Health Benefits and Pension Plans Member Newsletter

WINTER 2024

Extended Health or Dental benefits questions?

Access your PBC Member Profile on the website www.pac.bluecross.ca or mobile app for details on what is covered, your claims history, and more!

Phone the Pacific Blue Cross Call Centre for details on what is covered:

604-419-2000 or
1-877-722-2583 toll free

Hourbank or pension questions?

Visit the Plan website mw2736benefits.com for an outline of your health and pension benefits and access to downloadable resources.

Phone
604-299-7482
1-800-663-1356 toll free

Email for Hourbank
mw2736admin@datownley.com

Email for Pension
pensions2@datownley.com

Mailing Address
D.A. Townley
4250 Canada Way
Burnaby, BC, V5G 4W6

HEALTH BENEFITS PLAN UPDATE

The Millwrights Local 2736 Health Benefits Plan is managed by a group of Trustees who review all aspects of the Plan on a regular basis to ensure an appropriate balance between the competitiveness and the long term sustainability of the benefits being provided. The Plan remains in a favourable financial position as a result of responsible management, stability within the industry, and the hard work of Millwrights Local 2736 members.

Following consultation with members, the Trustees approved improvements to the Plan, effective September 1, 2024, as follows:

- increase coverage for orthotics to 2 pairs per 5 years
- increase hearing aids coverage maximum to \$2,000 per 60 months
- increase dental plan orthodontics lifetime maximum to \$10,000

PLAN OFFICE WEBSITE

On the Plan Office website you will find information regarding your coverage and access to downloadable resources for both the Health Benefits Plan and Pension Plan. Please visit the website which is accessible via our union website or directly at mw2736benefits.com.

ANNUAL PENSION STATEMENTS

Last year the Pension Plan Trustees were granted approval to change the Pension Plan's fiscal year end to December 31. As a result, annual pension statements are now issued in June each year (within 180 days after the Plan's new year end, as required by legislation).

Your next statement will be issued in June 2025 and will provide information on your benefits accumulated to December 31, 2024. By reviewing this statement, you will be able to see contributions made by your employer(s) and confirm the information the Administrator has on file for you (e.g. address and beneficiary). Contact D.A. Townley if updates are required.

If you elected not to convert your defined contribution benefits, then you will also receive a separate statement from Canada Life.

Reminders

Have you moved recently? Please inform the Plan Office if your address changes.

Do you know who your named beneficiaries are? If you have a spouse, then they are automatically your beneficiary for the Pension Plan. For Life Insurance, you must complete a beneficiary designation. If you need to designate or update your beneficiary for the Pension Plan or for Group Life Insurance, please contact the Plan Office.

Ensure your dependents (spouse and dependent children) are enrolled for extended health and dental benefits so they have access to benefits they are entitled to. New dependents should be enrolled within 30 days.

DC pension questions?

Contact Canada Life or the Plan's investment advisor Daniel Sember.

Canada Life

1-800-724-3402

grsnet@canadalife.com

Daniel Sember

604-370-3370

In addition to investment advice, Daniel Sember can also offer advice on other financial planning topics like retirement investment structure, life insurance, critical illness insurance and mortgage insurance.

PENSION PLAN UPDATE

The Millwrights, Machine Erectors and Maintenance Union Local 2736 Pension Plan is managed by a group of Trustees who meet regularly to oversee the operations and financial status of the Plan, consistent with applicable legislation and the terms of the collective agreement. The Trustees are pleased to announce the following benefit improvements effective December 31, 2024.

Details of Improvements

After consulting with their professional advisors and reviewing the Plan's Benefits Policy, the Trustees decided on:

- A 10% increase to Target Benefit Plan pensions currently in payment as of December 31, 2024.
- A 10% increase to Target Benefit Plan benefits earned for all service up to December 31, 2024, including for deferred vested members who have not started their pension nor received any lump sums as of December 31, 2024

Plan's Financial Condition - December 31, 2023 Actuarial Valuation

At least once every three years, the Trustees must file an actuarial valuation report with the BC Financial Services Authority (the provincial pension regulator). The most recent report was completed and filed as of December 31, 2023 and reflects changes to legislation with respect to the amount of margin (technically referred to as the Provision for Adverse Deviation or "PfAD") required. These reports must be prepared every three years but can be prepared earlier.

When a valuation report is completed, the Trustees are able to analyze the financial position of the Plan and assess whether they can make changes to the benefits that have already been earned and that will be earned in the future.

The Trustees have been carefully monitoring the Plan's financial condition and worked with their actuary to ensure that the Plan is sustainable for the long term. They looked at the Plan's funding under several different economic scenarios to make sure that the fund can withstand certain events, such as reported hours falling below what is typically expected, without negatively impacting the ability to deliver the pensions that members have earned. A summary of the most recent valuation is provided below (after incorporating the benefit increases described above):

Actuarial Valuation	December 31, 2023
Assets	\$26,269,000
Liabilities	<u>\$19,749,000</u>
Actuarial excess (Shortfall)	\$6,520,000
Funded Ratio	133.0%
Required PfAD %	21.5%
Required PfAD \$	<u>\$4,246,000</u>
Excess (Shortfall)	\$2,274,000

"Target Benefit" Plan

As a reminder, the pension benefits provided by the Target Benefit Plan are not a "promise", but rather a "target". Under a target benefit plan, there may be circumstances where pensions must be decreased. The Trustees manage the Plan prudently to reduce the chance of pension decreases, but these remain a possibility, particularly if investments perform poorly or interest rates decline significantly. But as is the case with the benefit increase described in this newsletter, if experience is favourable, there may be opportunities to increase benefits. The Trustees will continue to monitor and manage the financial health of your Plan to maintain an appropriate balance between benefit security and a sustainable level of benefits over the long term.