

# TRUST FUND

Details

## TABLE OF CONTENTS

---

### TRUST FUND DETAILS

	<b>PAGE</b>
Table Of Contents .....	O-1
Overview Of Trust Funds.....	O-2
Disclaimer.....	O-4
<b>Check Lists</b>	
• If You Become Disabled .....	O-5
• If Your Life Expectancy Is Medically Determined To Be Less Than 12 months.....	O-6
• If You Are Retiring .....	O-7
• Upon Pre-Retirement Death .....	O-8

## **OVERVIEW OF TRUST FUNDS**

### **How Did The Plans Start?**

The Collective Agreement signed in 1969 between the Millwright District Council and The Association of Millwrighting Contractors of Ontario provided for the payment, by the employers, of money into the Trust Funds for the establishment of the Benefit Plans.

As a result of this Collective Agreement, a Declaration of Trust was established for the Millwrights Benefit Plan Trust Funds.

### **How Does A Trust Fund Work?**

A trust is a relationship which arises with respect to property and involves the existence of certain duties imposed upon the holder of title to that property to deal with it for the benefit of another person.

The Declaration of Trust outlines the provisions of the Trust Funds and allows for the appointment of six Trustees to be responsible for the overall operation of the Plans.

### **What Is A Trustee & How Are They Appointed?**

The person who holds the legal title to the property and who accepts the specific duties pursuant to the Trust Agreement is called a Trustee.

Under the rules of the Trust Agreement, Trustees are appointed by the Millwright Regional Council and The Association of Millwrighting Contractors of Ontario.

All decisions of the Trustees are made by a majority vote. Each of the Trustees is allowed one vote and no one other than an appointed Trustee can vote.

### **What Is The Trustees' Role?**

The Trustees have full power and authority for the administration and operation of the Trust Funds. Their responsibilities include, but are not limited to:

- receiving contributions and other income;
- safeguarding funds received;
- investment of funds;
- determining member eligibility rules for benefit programs;
- establishing the rules and regulations of the Plans; and
- ensuring proper administration of the Plans and compliance with government regulations.

To assist them in the management of the Funds, the Trustees are authorized to appoint and remove lawyers, auditors, trust companies, administrators, actuaries, and other professionals as may be necessary.

**How Are The Trustees Paid?**

The Trustees are not paid for their services.

They may be reimbursed for reasonable expenses incurred provided the expenses are approved by a majority vote of the Board of Trustees. Such expenses would typically cover educational conferences and travel to trustee meetings.

**How Is The Plan Administrator Appointed?**

The Plan Administrator is appointed by the Board of Trustees. The Plan Administrator is subject to the control and direction of the Trustees.

**What Control Is There Over The Plan Administrator?**

The Trustees and appointed Subcommittee hold meetings on a regular basis, usually 4 to 6 full days per year. At each meeting, they discuss the activity of the Trust Funds and Benefit Plans since the last meeting. Any questions, suggestions, or complaints addressed to the Trustees are discussed at the meetings.

The Trustees alone may make decisions regarding the rules and regulations of the Plans and the benefits to be provided. These decisions are based on the advice of professional advisors, auditors, investment managers, legal counsel, etc. In addition, the Trustees hire an independent auditor to audit the books and records of the Trust Funds and report to the Trustees at least once each year.

**How And When Do The Employers Pay?**

In accordance with the Collective Agreement, contributions must be forwarded by first class mail and postdated no later than the 15th of the month following the month in which the hours have been earned, to the Plan Administrator designated by the Trustees. The employers' obligations are outlined in the Collective Agreement.

The employers are provided with remittance forms on which they must report each employee's hours and salary earned.

**What Happens If The Employer Does Not Pay?**

The Plan Administrator sends a Demand Notice to each delinquent employer reminding them of their obligations under the terms of the Collective Agreement. The Trust Fund lawyer is also advised.

If the required payment is not received, legal action will be taken by the Trustees to collect the outstanding money.

**What Is The Role Of The Group Benefit Programs?**

The benefit programs for the Millwrights include the Welfare Plan, the Supplementary Unemployment Benefit Plan, the Legal Assistance Plan and the Pension Plan. The primary role of these group benefit programs is to supplement government programs by providing financial assistance in case of illness, accident, or death. In addition, the Millwright Pension Plan is a source of income at retirement.

The group life insurance, accidental death and dismemberment insurance, short-term disability insurance, and long-term disability insurance are designed to partially replace income that is lost because of disability or death.

The supplementary health care, dental care, vision care and prescription drug coverages are designed to be a source of reimbursement when you are faced with unexpected expenses.

**Please remember that no benefits provided under the Millwright programs are guaranteed, except where required by legislation. As you read this booklet and the benefit descriptions you will note that the eligibility rules may vary by benefit.**

#### **How Is The Welfare Fund Reserve Used?**

Any hours contributed over and above the maximum a Member is allowed to accumulate are transferred to the reserve of the Fund. In addition, investment income, not required to pay operating expenses, is considered as part of the reserve.

**These reserves are used to subsidize the cost of benefits when Members are unemployed, sick, disabled or retired.**

#### **Will The Trustees Ever Report To Me?**

Yes. The Trustees will report Plan changes to you as they occur in the form of Newsletters and annually in the form of a Personalized Benefit Statement.

#### **DISCLAIMER**

The Trustees have the authority to determine the nature, amount and duration of benefits to be provided through any of the Millwright Benefit Programs. Decisions made by the Trustees regarding changes to the Benefits provided will be made with the intent of ensuring that the Trust Fund remains in a "healthy position" without accumulating "excessive assets."

Please note that any particular benefit that is provided at a particular time cannot be guaranteed for any specific period of time unless required by legislation. The trustees reserve the right to amend, suspend, delete or terminate any benefit at any time as in their discretion they deem appropriate.

The Board of Trustees have the power to disentitle any person to past, present or future benefits and to take any further action they deem appropriate, including denying membership in the Plan to any person where the Member or persons claiming through the Member are found by the Trustees to be abusing the Plan or making false or improper claims under the Plan.

## **CHECKLISTS**

### **CHECK LIST, IF YOU BECOME DISABLED...**

- Advise your Local Union Office.
- Is your disability work related?
  - a) If yes, apply for WSIB
  - b) If no, apply for Employment Insurance (EI) disability benefits
- If you are physically disabled as a result of an accident, apply for A.D.& D. benefits, if applicable.
- Advise the Plan Administrator if you become disabled at the earliest of the following:
  - a) After 10 weeks of EI disability benefits
  - b) Upon denial of EI disability benefits
  - c) If EI terminates before the 10 weeks
- If your disability is expected to be long term (i.e., go beyond 17 weeks) apply for the following benefits even if you are in receipt of WSIB. Contact the Plan Administrator to obtain forms and apply for:
  - a) Long Term Disability
  - b) Waiver of Premium
  - c) Disability Pension Credits
- Contact Human Resources Development Canada and apply for Canada Pension Plan Disability Benefits as outlined in the covering letter that accompanies the LTD application forms.
- Ensure that the Plan Administrator is provided with copies of all information related to your claim for or payment of WSIB OR CPP disability benefits.**

#### **Notes:**

1. Weekly Income claims must be submitted within 90 days of the date of disability; to be eligible a Member must be under the age of 60 and must have worked for a contributing employer within 6 months of the date of disability. See Note 4 below.
2. Long Term Disability and Waiver of Premium claims must be submitted within 6 months of the date of disability; to be eligible a Member must have worked for a contributing employer within 6 months of the date of disability.
3. The definition of "totally disabled" for the purpose of continuing payment of Long Term Disability benefits changes after a Member has received 24 monthly payments.
4. WI and LTD benefits are coordinated with your Pension Plan (i.e. not payable beyond the date unreduced pension benefits are available whether or not the Member is actually eligible for an unreduced pension benefit).
5. SUB benefits are not payable to members who are unemployed due to illness, accident or quarantine.

**CHECK LIST, IF YOUR LIFE EXPECTANCY IS MEDICALLY DETERMINED TO BE LESS THAN 12 MONTHS...**

- Advise your Plan Administrator.
- If you are not in receipt of disability benefits, please refer to the CHECK LIST on page O-5.
- You and your Spouse, if applicable, should review the following with the Plan Administrator:
  - a) Life Insurance – Living Benefit  
(Option to apply for a lump sum up to 50% of your Member Life Insurance.)
  - b) Commutation of your pension benefit in the event of disability
  - c) If over age 55, should you retire?
    - Life Insurance reduces for retirees
    - Conversion options
    - Pension - death benefits versus survivor benefits
    - Spouse and eligible dependents of retirees have the option to self pay for health, dental and the Legal Assistance Plan for the remainder of their lifetime
    - Spouse and eligible dependents of active Members, extension of coverage terminates following 24 months

## **CHECK LIST, IF YOU ARE RETIRING...**

### **6 MONTHS PRIOR TO YOUR DATE OF RETIREMENT:**

- If you are age 60 or older, you can apply for your Canada Pension Plan Retirement Benefits. Contact Human Resources Development Canada to obtain information and/or an application form.
- Whether you are retiring or not, if you are approaching or are age 65 you must apply for your Old Age Security Pension. Contact Human Resources Development Canada to obtain information and/or an application form. Also, familiarize yourself with the Guaranteed Income Supplement, other provincial supplements and government programs for seniors.

### **3 - 6 MONTHS PRIOR TO YOUR DATE OF RETIREMENT:**

- Advise the Local Union Office and the Plan Administrator.
- Complete an Application for Benefits Form and forward it to the Local Union for certification. **Note:** The earliest date of retirement is the first of the month in which application is received by the Plan Administrator.
- Your application is to be accompanied by a copy of your proof of age, your spouse's proof of age, and your marriage certificate, (proof of separation, divorce or death of spouse if applicable).
- As a retiree, you can continue your Retiree Welfare Plan coverage (if applicable), through the direct debit process once your Hour Bank Account balance is exhausted. Coverage for retirees includes reduced life insurance, major medical, dental (with restrictions) and legal assistance. Details of the plan of benefits for retirees are outlined in the Benefit Plans For Retired Members booklet.

**Note: Some benefits vary for retirees and their dependents.**

- Be advised that the life insurance for members and their dependents and the A.D.& D. coverage terminates when a retiree's Hour Bank Account is exhausted at or following the member's date of retirement.
- Before or upon receipt of your retirement pension options, the Trustees encourage you to attend a pre-retirement information session provided by the Plan Administrator.
- To initiate payment of your pension benefits, you must provide the Plan Administrator with an option selection form (fully completed) and if applicable, a Spousal Waiver Form and/or a Post-Retirement Beneficiary Appointment Form.

### **CHECK LIST, UPON PRE-RETIREMENT DEATH...**

- Spouse, beneficiary or executor of estate should advise the member's Local Union Office and the Plan Administrator of the date of death.
- Contact Human Resources Development Canada to obtain information and forms to apply for survivor and death benefits under the Canada Pension Plan and the Spouse's Allowance under the Old Age Security Plan, if applicable.
- When received from the Plan Administrator, complete an Application for Pension Benefits Form and forward it to the Local Union for certification. The application is to be accompanied by proof of death, proof of age for the deceased, spouse's proof of age, and a copy of the marriage certificate, (proof of separation, divorce or death of spouse, if applicable).
- When received from the Plan Administrator, complete an Application for Life Insurance benefits and Accidental Death & Dismemberment Benefits, if applicable.
- If the Member was in benefit under the Welfare Plan at the date of death, coverage will continue for a minimum of twenty-four months. Coverage for the surviving Spouse and dependents includes Major Medical, Dental, Prior to Age 75 Emergency Out of Province Medical (subject to age limitations) and Legal Assistance Plan coverage.
- Be advised that the life insurance on the deceased member's dependents terminates when the Member dies. The spouse has the right to convert the group dependent life insurance coverage into an individual policy.

### **In the case of the death of your Spouse, Beneficiary or Dependent:**

- Notify your Local Union office and the Plan Administrator.
- Apply for Dependent Life Insurance benefit, if applicable.
- Fully complete a Member Information Change Form for the Welfare and Pension Plans noting any change in marital status, beneficiary and/or dependents.