

# **WELFARE PLAN**

## **General Rules & Provisions**

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### WELFARE PLAN GENERAL RULES & PROVISIONS

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## **POLICY**

This booklet describes your Welfare Plan in a simple manner. The extent and application of the insurance for each Active Member and dependent is governed, at all times, by the complete terms of the Group Insurance Policies issued by Manulife Financial and Chartis Insurance Company of Canada.

## **ELIGIBILITY**

### **Welfare Plan Hour Bank Account**

1. The Plan Administrator keeps an account for each Member which shows the hours reported monthly on the Member's behalf by the contributing employer(s). This account is called an Hour Bank Account.
2. The maximum number of hours you may accumulate in your Hour Bank Account at the end of the 2009 calendar year is 2,340 hours.

### **New Member**

A new Member will become eligible for coverage (go into benefit) when he or she satisfies all of the eligibility requirements 1. through 4. below:

1. The Member must be and remain a member in good standing with a Participating Local Union.
2. The Member has completed and filed a Welfare Plan Member Information Card (MIC) (accompanied by a Privacy Disclosure Form) with the Plan Administrator.
3. The Member was at work or available for work on the date the benefit coverage takes effect.
4. The Member has accumulated the required 360 hours in his or her Hour Bank Account within 12 calendar months of the first contribution made to the Welfare Trust Fund on his or her behalf. (If the 360 hours are not accumulated in this period of 12 consecutive months, all hours accumulated in this Member's Hour Bank Account will be forfeited.)

The date that a new Member's coverage is effective would be as follows:

- The first of the second month after the individual has accumulated the required 360 hours provided he or she has already been initiated into a Participating Local Union.
- Otherwise, if the individual earns the required 360 or more hours before he or she is initiated into a Participating Local Union, this new Member will be eligible for coverage the first of the month that he or she is initiated.

#### **Note:**

**If you were an applicant employee/permit worker prior to becoming a Member of the Union and Welfare Plan, the hours reported while you were an applicant employee/permit worker cannot count towards the hours needed to become eligible for coverage. Only hours earned when you are a probationary apprentice, probationary journeyman, or journeyman will count towards the 360 hours required for Welfare Plan initial eligibility.**

**Example For New Member Who Starts Working In January and is Initiated into the Union in May:**

<b>Work Month</b>	<b>Month Paid</b>	<b>Hours Reported</b>	<b>Monthly Deduction</b>	<b>Hour Bank Account Balance</b>	<b>Benefit Coverage Month</b>
January	February	160	-	160	-
February	March	165	-	325	-
March	April	145	130	340	May
April	May	170	130	380	June
May	June	200	130	450	July
June	July	178	130	498	August
July	August	220	130	588	September
August	September	150	130	608	October
September	October	90	130	568	November
October	November	0	130	438	December
November	December	70	130	378	January
December	January	152	130	400	February

**Ongoing Benefit Coverage**

A monthly deduction of 130 hours is taken from your Hour Bank Account to pay premiums for your benefit coverage provided you continue to be a Member in good standing with a Participating Local Union.

**SELF-PAYMENTS**

**Self-Payments - Maintenance Of Coverage**

When you do not have enough hours in your Hour Bank Account (130 hours) to pay the monthly premiums on your behalf, you may be given the opportunity to pay directly to the Trust Fund to maintain your Welfare Plan benefits. This is referred to as the self payment option. To be offered any of the self payment options **you must be and remain a Member in good standing with a Participating Local Union.**

**Note:**

**Self-payment rates for all Members are subject to change, at the discretion of the Board of Trustees, based on affordability.**

**Self-Payments – Tax Note**

All direct payments paid to the Trust Fund by Members to maintain benefit coverage are subject to Ontario Retail Sales Tax (currently 8%).

**Self-Payment Options**

**1. Standard Self-Payment If You Earn Less Than 130 Hours Per Month Or Are Unemployed**

When your Hour Bank Account has less than 130 hours, you will receive a standard self-payment notice. You are eligible to pay the

required amount directly to the Trust Fund to continue your Welfare Plan coverage for a **maximum of 18 consecutive months**, provided you are available for work (i.e. not disabled, sick or retired). Your monthly self-payment cheque must be accompanied by a copy of the self-payment notice, signed by both you and the Local Union Representative.

**Note:**

**An active Member of a Participating Local Union who makes himself/herself unavailable to work for a Contributing Employer within the geographic area of his/her Participating Local Union, shall lose the privilege of self-payment and his/her coverage for the Welfare Plan benefits shall terminate.**

In order to be considered as available for work, the Member must reside on a full-time basis in a geographic area of a Participating Local Union and must be at all times ready to perform work for a contributing employer. Where it is determined that a Member is not available to perform work for a contributing employer, the Plan Administrator shall advise the Member in writing and the Member shall respond in writing within a period of seven (7) days. The Board of Trustees or a Subcommittee of the Board shall consider the matter and make a determination on whether or not the Member was unavailable for work for a contributing employer and if so whether a bona fide reason existed for such unavailability.

If it is determined that the Member was unavailable to work for a contributing employer within the geographic area of a Participating Local Union, the Member's coverage for the Welfare Plan benefits shall terminate immediately and the Member will be notified in writing.

Where, subsequent to the determination that a Member was unavailable for work, the Member returns to covered employment, reinstatement of welfare coverage will occur in accordance with the Reinstatement of Coverage rules (described later in this section).

**2. Self-Payment If You Suffer A Work Related Injury**

You and your employer have an obligation to advise the Plan Administrator when your WSIB claim commences and terminates. The Workplace Safety and Insurance Board (WSIB) legislation calls for the Trustees to continue benefit contributions (WSIB credits) for up to 12 months following the date of a work related compensable injury.

If you become injured while working for a Contributing Employer and receive WSIB Benefits, the Trustees will make Welfare and Pension contributions (WSIB credits) on your behalf for a period of up to 12 months following the date of your compensable injury. After 12 months of WSIB credits, you can continue your Welfare coverage by making self-payments directly to the Trust Fund. Please read below.

**Note:**

**WSIB credits cease prior to the 12-month maximum if you retire or recover.**

### **3. Self-Payment When You Are Disabled**

When you notify the Plan Administrator that you are disabled and your Hour Bank Account is depleted (i.e. your Hour Bank Account has a balance of less than the required 130 hours) you will receive a disabled Member's self payment notice. Your monthly self-payment cheque must be accompanied by a copy of the self-payment notice signed by both you and the Local Union Representative.

**Note:**

**Proof of your disability must be submitted with your first disabled self-payment. You will also be required to provide proof of your ongoing total disability on an annual basis (unless the Plan Administrator already has proof because you are in receipt of Long Term Disability benefits from this Plan).**

The required proof of total disability when you are not receiving LTD benefits includes a copy of the letter you receive advising that your claim for CPP or WSIB benefits has been approved, along with a copy of the most recent cheque stub from your monthly disability income payment.

The definition to be eligible to self-pay as a disabled member changes after two continuous years of disability as follows:

- **Disabled Self Pay Eligibility - First 24 Months**

For the first 24 consecutive months you can self pay as a disabled member if you are receiving either Weekly Income benefits, E.I. disability benefits, Long Term Disability benefits, Canada Pension Plan disability benefits, or WSIB benefits.

- **Disabled Self Pay Eligibility - After 24 Months**

After 2 years of total disability, a Member who is receiving WSIB benefits must also qualify for Long Term Disability benefits and/or CPP Disability benefits to be entitled to continue to self-pay at the subsidized disabled Member rate.

**Note:**

**This means disabled Members including WSIB recipients must apply for Long Term Disability benefits within 17 weeks of their date of disability and for CPP Disability benefits within 12 months of the date of their disability.**

### **4. Self-Payment When You Are On Maternity Or Parental Leave**

The Employment Standards Act recognizes pregnancy and parental leaves. While an employee is on pregnancy or parental leave, the employer must continue to make employer contributions for Welfare and Pension Benefits. The prerequisite for entitlement to these ongoing contributions during pregnancy or parental leave is that the employee was employed for at least 13 weeks preceding the date of delivery or 13 weeks before the child came into a parent's custody.

## **CONTINUATION OF WELFARE PLAN BENEFITS AFTER RETIREMENT**

In order to be entitled to receive ongoing benefit coverage as a retired member, you must:

1. Be in-benefit in the Welfare Plan at the date of your retirement;
2. Be and remain a Member in good standing with a Participating Local Union; and
3. Not subsequently work for a non-union Millwrighting Contractor.

**Note:**

**The benefits available to you when you retire are outlined in the booklet for retired members.**

## **TERMINATION OF COVERAGE**

### **Termination Of All Benefits Provided By The Welfare Plan**

Your benefit coverage will cease on the earliest of:

1. The last day of any month in which you do not have at least 130 hours in your Hour Bank Account and you did not or were not eligible to self pay to continue coverage;
2. The last day of the month when your Participating Local Union advises the Plan Administrator that your Union Membership has been suspended. A Member is suspended from the Participating Local Union when he/she has not paid over-the-counter dues for a period of six consecutive months;
3. The last day of the month when you have not worked for a period of six consecutive months for reasons other than disability, illness or retirement. This termination rule will only be waived if there was no work available in the area covered by your Participating Local Union;
4. The last day of the month that you are no longer a Member in good standing with a Participating Local Union for any reason; and
5. The date on which the Group Master Policy is cancelled or terminated for all Members.

### **Termination Of The Disability Benefit Coverage Only**

Your disability benefit coverage (Weekly Income and Long Term Disability) will cease on the earliest of:

1. The end of the month when Unreduced Early Retirement is available under the Millwright Pension Plan. This applies whether or not you qualify for an unreduced pension;
2. The end of the month when you have not worked for a Contributing Employer for a continuous period of six months; and
3. The end of the month that you are no longer a Member in good standing with a Participating Local Union for any reason.

**Note:**

**At no time will there be any refund of any money to a Member or former Member unless specifically permitted by the Trust Fund.**

## **REINSTATEMENT OF COVERAGE**

Your Welfare Plan benefit coverage may be reinstated on the first day of the second month following the date you have accumulated 240 hours in your Hour Bank Account. However, if your coverage was terminated for 12 months or longer, you will be considered a "New Member" and will be required to meet the "New Member" eligibility requirements (refer to page W-2).

## **CONTINUATION OF WELFARE PLAN BENEFITS AFTER DEATH For Dependents Of Deceased Active Members**

The minimum extension of coverage for eligible dependents of active Members who are in-benefit when they die will be 24 months. When an Active Member who is in-benefit dies, the Member's Hour Bank Account balance will first be used to extend coverage including Dependent Life, Major Medical, Dental, Emergency Out of Province Medical Coverage (subject to age limitations) and Legal Assistance (LAP). Once the Hour Bank Account is exhausted the Trust Fund will provide an additional 24-month extension of Major Medical, Dental, Out of Province Medical (subject to age limitations) and LAP coverage at no cost. Dependent life coverage ceases when the Hour Bank Account is exhausted and all other coverage ceases when the 24-month Trust Fund extension is completed.

Upon the death of an Active Member, if the Member would have been eligible to retire on the date of his or her death and the Member's Spouse elects an immediate pension from the Millwright Pension Plan as the death benefit, the Spouse will have the option to continue to receive retiree Major Medical, Dental, Emergency Out of Province Medical Coverage (subject to age limitations) and LAP coverage after the Member's Hour Bank Account is exhausted. This option is provided through the direct debit program (i.e. the required self payment amount is deducted from the monthly pension payment). Benefit coverage for the dependent Spouse of the deceased Member will be terminated if the Spouse fails to make the required monthly payment. Once terminated this coverage cannot be reinstated.

## **RECIPROCITY**

The Trust Funds have entered into Reciprocal Agreements with other Trust Funds including all Millwright Local Unions in Canada. These agreements provide for the transfer of welfare contributions from one Trust Fund to another.

If you are working or will be working outside the jurisdiction of the Millwright Regional Council of Ontario, please call your Local Union office or the Plan Administrator to confirm whether or not there is a Reciprocal Agreement for the jurisdiction where you are/will be working. If there is a Reciprocal Agreement, please follow the procedures below to ensure that you will receive credit for welfare hours worked/earned in that area.

When temporarily working as a Member in the jurisdiction of another Millwright Council or Local:

1. Contact the Council or Local Union in the geographical area where you are a Member ("Home Fund").
2. Ask that the "Home Fund" request the transfer of your welfare contributions to your "Home Fund." They will have you complete the Reciprocal Form or when no form is available they can write a letter to the "Related Fund" for the area where you are temporarily working and formally request the transfer of your welfare contributions. Reciprocal transfers do not happen automatically!
3. Verify with the Council or Local Union in the geographical area where you are/were working ("Related Fund") that they received the formal request to transfer your welfare contributions to the Millwright Regional Council of Ontario Welfare Fund.

When temporarily working on permit in the jurisdiction of another United Brotherhood of Carpenters & Joiners of America Council or Local in Ontario or another trade:

1. Obtain a Reciprocal Transfer form at the Council or Local Union office in the geographical area in which you are/will be working ("Related Fund").
2. Complete the form indicating that you wish to have your welfare contributions reciprocated from the "Related Fund" to your "Home Fund."
3. Obtain a copy of the Reciprocal Transfer form you completed and follow up with the Plan Administrator (allowing 30 to 60 days) to ensure that your "Home Fund" has received your welfare contributions from the "Related Fund."

#### **FUTURE OF THE WELFARE PLAN**

The Contributing Employers and the Union expect and intend to keep the Welfare Plan in force indefinitely. However, the Trustees may change or modify the Plan from time to time; **no benefits under the Plan are guaranteed.**

If the Plan is discontinued, all moneys in the Trust Fund must first be used for the benefit of Members and their beneficiaries, and distribution will be made according to the terms of the Plan and Trust Document.

The Board of Trustees in its sole discretion has the authority to suspend, delete, or terminate any benefit provided under the Welfare Plan, subject to applicable government regulations. Any particular benefit payable at any particular time does not guarantee that such benefits will be provided for any specific period of time. Any post-retirement benefits or benefits payable to disabled Members may be suspended, deleted, or terminated at any time by the Board of Trustees in its sole discretion.

The Board of Trustees has the power to disentitle any person to past, present or future benefits and to take any further action it deems 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.