

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 Retired 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.

CONTINUATION OF WELFARE PLAN BENEFITS AFTER RETIREMENT

In order to be entitled to receive 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.

The benefits available to you after you retire are explained in the remaining sections of this booklet.

Initially, Members with an Hour Bank Account balance at retirement will be eligible for retiree Life, Health, Dental*, Emergency Out of Province Medical Coverage (subject to age limitations) and LAP coverage until their Hour Bank Account is exhausted. (Dependent Life, AD&D, SUB and Disability benefits cease at retirement.) Once the Hour Bank Account is exhausted eligible Retirees will be given the option to self-pay. The length of the extension of coverage provided by a Member's Hour Bank Account depends on the hours in the balance and the required monthly deduction rate (hours deducted). The balance is subject to the Plan Maximum which is currently 18 months and the deduction is subject to the cost of coverage which is 130 hours per month. The Plan Maximum and monthly deduction at your date of retirement are not guaranteed and are subject to change as specified by the Board of Trustees.

***IMPORTANT NOTE REGARDING DENTAL BENEFITS:** If you retire on any day other than January 1st, the combined Basic and Major Dental Services Calendar Year Maximum for the year in which you retire will remain the same as it was under the active plan, whether you have a balance in your Hour Bank Account or not. The \$1,500 calendar year maximum for retired members will take effect on the January 1st coincident with or next following the year in which you retire.

Examples:

- 1) If your maximum under the active plan was \$3,000 and you retire on June 1st, then from June 1st to December 31st of that year your dental expenses will be paid up to \$3,000; OR if less, the amount you have left of this \$3,000 calendar year maximum. On January 1st of the following year your maximum reduces to \$1,500.
- 2) If your maximum under the active plan was \$2,500 and you retire on October 1st, then from October 1st to December 31st of that year your dental expense will be paid up to \$2,500; OR if less, the amount you have left of this \$2,500 calendar year maximum. On January 1st of the following year your maximum reduces to \$1,500.

Self-Payment Amount After Retirement

The applicable self-payment premium is based on your eligibility for pension benefits at your date of retirement. If you are an eligible pension plan Member at your date of retirement (i.e. you are a Member of a Participating Local Union and have satisfied the Pension Plan eligibility rules in force; currently 1,400 earned hours reported to the Pension Plan in a period not greater than 24 months) you will be eligible to self pay by Direct Debit from your monthly Pension at the subsidized rate as determined by the Board of Trustees. If you are not an eligible Pension Plan member your self-pay rate will be 100% of the premium cost and you can self-pay by cheque or money order. **Self-payment rates are subject to change at the discretion of the Board of Trustees based on affordability.**

Tax Note:

All self payments paid by Members and Retirees to maintain benefit coverage are subject to Ontario Retail Sales Tax (currently 8%).

Termination Of Retiree Benefit Coverage

Benefit Coverage for a Retired Member will terminate on the earlier of:

1. The last day of the month that you are no longer a Member in good standing with a Participating Local Union for any reason;
2. The last day of the month that the retiree ceases to make the required self payment; and
3. The retiree is subsequently employed by a non-union Millwrighting Contractor.

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

The Trust Fund will provide the dependent Spouse of a retiree who dies (provided the retiree is in-benefit at the date of death) with an extension of retiree Major Medical, Dental, Prior to Age 75 Emergency Out of Province Medical Coverage (subject to age limitations) and LAP benefits using the retiree's Hour Bank Account balance until it is exhausted (if applicable). Once the retiree's Hour Bank Account is exhausted, the dependent Spouse will have the option to continue this coverage by paying the required portion of the premium to the Trust Fund. This self-payment option will be offered through the direct debit program unless the Spouse is not receiving a monthly survivor benefit through the Pension Plan. In that case the Spouse will be allowed to pay to the Trust Fund directly by monthly cheque.

Note:

Benefit coverage for the dependent spouse of the deceased retiree will be terminated if the Spouse fails to make the required monthly payment. Once terminated this coverage cannot be reinstated.

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 Employees 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 employees 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.