

Group Name and Number

Telecommunication Workers Benefit Plan

Ontario Members

PARTs B&C

Group Number 009798

As of February 1, 2009

Introduction

First, an important note from our lawyers.

This booklet is intended only as a guide and does not establish any legal rights. It is intended as a summary of the benefits provided at the time of publication. Member's rights to benefit coverage and payments are stated only in the Plan, which is available, for viewing at the Plan Administration Office. If there is an inconsistency between this booklet and Plan, the terms of the Plan prevail.

The purpose of this booklet is to provide you and your family with a brief and informative description of the Death and Disability Benefits available for members of the **Telecommunication Workers Benefit Plan (TWBP)** who are covered by the **Telecommunication Workers Union Collective Bargaining Agreement in Ontario** with **TELUS** and **Associated Subsidiaries** as specified in the Collective Agreement. Benefits payable will depend on the benefits that are negotiated for the province where you are employed.

Possession of this booklet alone does not mean that you and your dependants are covered under the Plan. You must be a member of the TWBP and satisfy all of the requirements of the Plan to receive benefit payments. Please check your Statement of Earnings to confirm your membership.

A **TWU H&B** Plan deduction indicates membership in **PARTs B&C Group Life, Survivor Income Benefit and Short Term Disability**.

The TWBP may provide benefits for TWU members with employers other than TELUS Communications Inc. The Plan is organized into PARTs. Each PART of the Plan applies to only one employer. This booklet describes PARTs B&C all of which apply only to TELUS and its affiliates. We suggest that you read this Benefit Booklet carefully then file it in a safe place with your other important documents for future reference.

Coverage is provided through British Columbia Life & Casualty Company (BC LIFE) for:

Group Term Life
Short Term Disability (STD)

and

through TWBP for:

Survivor Income Benefit (SIB)

Privacy Policy

We have a Privacy Policy which governs our collection, use, and disclosure of personal information (including personal health information) about individuals who are members or Dependents. The Privacy Policy requires us to keep such personal information confidential, but does permit use and disclosure of personal information in limited circumstances consistent with the proper administration of group benefit and insurance coverage plans.

A copy of our current Privacy Policy can be obtained from us on request and is also available on our website: www.pac.bluecross.ca. By participating in the group benefit and insurance plans, and submitting claims under those plans, you are consenting to the collection, use, and disclosure of your personal information pursuant to the terms of our Privacy Policy.

Table of Contents

Group Name and Number	1
Introduction.....	2
Benefit Summary	6
General Information	8
Group Term Life & Survivor Income Benefit.....	11
Group Life Insurance – PART B	11
Survivor Income Benefit (SIB) - PART B	11
Beneficiary Designations.....	12
Short Term Disability.....	15
Short Term Disability (STD) – PART C	15
Annual Earnings Calculation	17
Plan Costs	21
Claim Procedures	22
Membership Termination	23
Notes.....	24

Benefit Summary

The Benefit Summary contains a brief summary of your benefits. Please refer to the appropriate page in this booklet for a more detailed benefit description.

PARTs B&C

As a Member of the Telecommunication Workers Benefit Plan - PARTs B&C (TWU H&B Plan is your payroll deduction) you are protected by a plan that provides benefits for you and your family if you are unable to do your job due to serious illness, disability or death. Life insurance protection for Members of PARTs B&C is provided in two parts. The Group Life Benefit and monthly Survivor Income Benefit (SIB) provides your family with a one-time payment and an ongoing income in the event of your death.

Short Term Disability (STD) insurance provides you as a regular employee with wage loss protection for up to 2 years from the first date that you are unable to do your own job due to serious illness or disability. This is done by paying 'top up' benefits when the TELUS benefit drops below 100% of pay.

STD coverage is only available for regular employees. TWBP members who are temporary employees pay a reduced premium and are covered for Group Life and SIB coverage only.

Regular Employees - PARTs B&C

Group Life Insurance

1 x Annual Earnings, rounded to the nearest \$1000, plus \$2000 = Lump Sum Payment to your Group Life Beneficiary.

Survivor Income Benefit (SIB)

25% of Annual Earnings divided by 12 = monthly payments to your SIB Beneficiary.

If your SIB Beneficiary is your Spouse - the benefit is payable for your spouse's lifetime or 10 years, whichever is longer.

If your SIB Beneficiary is other than your Spouse - the benefit is payable for 10 years.

Short Term Disability

This benefit is designed to ensure that your income from all sources while disabled is approximately equal to your pre-disability net income. As there is no income tax payable on this benefit and the Member may be in receipt of other sources of income replacement which may affect the STD Benefit amount, the amount of the STD benefit will vary for each Member. For more information on the amount paid in each situation, please see the chart under the detailed information for Short Term Disability, which follows later in the booklet.

Cost

Members pay 1.5% of actual gross earnings for Group Life, SIB & STD coverage.

Temporary Employees - PARTs B&C

Group Life Insurance

1 x Annual Earnings rounded to the nearest \$1000 plus \$2000 = Lump Sum Payment to your Group Life Beneficiary.

Survivor Income Benefit (SIB)

25% of Annual Earnings divided by 12 = monthly payments to your SIB Beneficiary.

If your SIB Beneficiary is your Spouse - the benefit is payable for your spouse's lifetime or for 10 years, whichever is longer.

If your SIB Beneficiary is other than your Spouse - the benefit is payable for 10 years.

Short Term Disability

Not available to Temporary Employees.

Cost

Members pay 1.0% of actual gross earnings for Group Life & SIB coverage.

General Information

About the Plan

The Telecommunication Workers Benefit Trust Fund was established by the Telecommunication Workers Union (TWU) to provide group benefit coverage for TWU members at reasonable cost. The Trust Agreement requires the TWU to appoint a Board of Trustees comprised of TWU members. The Trustees are responsible for all aspects of the administration of the Trust Fund. They must adopt and administer the Benefit Plan (the TWBP) and they may amend it as and when they consider it necessary to do so. They must set contribution levels from time to time to pay benefits and for the administration of the Fund. Contributions must also be consistent with the requirements, if any, of the current Collective Agreement. The Trustees are responsible for receiving contributions to the Fund and arranging the provision of benefits under the Plan. They may appoint professional advisors, enter into insurance contracts, and appoint an Administrator.

The Plan is organized into PARTs. PARTs B&C cover TELUS employees. The funding and the experience of each PART of the Plan are separately accounted for.

Future of the Plan

The Trustees are pleased to be able to offer these benefits and are committed to ensuring the operation of the Plan on a financially sound basis. It is important to the TWU that participating Members are able to obtain these provisions should they require them and encourages all eligible members to join.

The Trustees review the Plan provisions on a regular basis to identify areas for improvement and/or to provide added benefits to Members. We welcome your comments and suggestions.

The Trustees communicate benefit changes and/or improvements to the Members through booklets, letters, Transmitter articles and the TWBP webpage at www.twplans.com.

Plan Participation

The TW Benefit Plan office sends an application card to members upon receiving notice from the TWU office of a new hire. Members have 60 days from the date the application card was sent, to return the completed card to the TW Benefit Plan office. If the card is not completed within the required 60 days the member is deemed to have declined coverage.

Transfer from Temporary to Regular Employment

If you transfer from Temporary employment to Regular employment and you are already enrolled in the Plan your benefit coverage and contributions are adjusted accordingly.

Decline or Cancel Coverage

Participants may elect to withdraw coverage at anytime by completing a withdrawal card. Participants who elect to withdraw their coverage or members who decline coverage are deemed to be Non-Plan Members.

Non-Plan Members who wish to join the Plan after either declining or cancelling coverage must provide satisfactory evidence of insurability before their application is approved.

If you wish to submit a late application for coverage, the Plan Administration Office will provide you with an initial short questionnaire and an application form. This information will be submitted to the Plan's insurer who may require further medical information to determine whether or not you are eligible to participate in the Plan. As medical information is private, the insurer will correspond directly with you.

If your application for late enrollment is declined by the insurer, you may appeal this decision by submitting a letter to the insurer stating that you wish to appeal the decision. For more information, please contact the Plan Administration Office and request a copy of the appeal procedures.

Frequently Asked Questions

Can I Use My Life Insurance as Collateral For a Loan?

No, a Member of the Telecommunication Workers Benefit Plan cannot assign or encumber any benefit under this Plan without the consent of the Trustees.

What is the Income Tax Status of the Plan Benefits?

All benefits are non-taxable.

Any questions about the Plan should be addressed to:

TWBP Administration Office

Telecommunication Workers Benefit Plan

#303, 4603 Kingsway

Burnaby, BC V5H 4M4

Telephone: (604) 430-3300

Fax: (604) 430-5395

Email: general@twplans.com

Group Term Life & Survivor Income Benefit

Group Life Insurance – PART B

Your Group Life Insurance is term life insurance.

In the event of your death, a non-taxable lump sum payment will be made to your Group Life beneficiary.

Group Life Benefit Amount

The amount of this benefit is equal to your Annual Earnings "rounded" to the nearest \$1,000 plus \$2,000.

For example:

Annual Earnings	\$53,761
Annual Earnings rounded to the nearest \$1,000	\$54,000
Group Life Insurance	\$56,000 (i.e. \$54,000 + \$2,000)

If you die while you are disabled, the benefit will be based on your Annual Earnings at the date you stopped receiving 100% of earnings from your employer.

Survivor Income Benefit (SIB) - PART B

The Survivor Income Benefit is a form of life insurance that provides your survivor(s) with a monthly income rather than one lump sum.

In the event of your death, a non-taxable monthly benefit is payable to your Survivor Income beneficiary starting on the first day of the month following your death.

Amount of Monthly Survivor Income Benefit

The amount of the monthly benefit equals 25% of your Annual Earnings divided by 12.

For example:

Annual Earnings	\$53,761
25% of Annual Earnings	\$13,440
Monthly Survivor Income benefit	\$1,120 (i.e. \$13,440 divided by 12)

If you die while you are disabled, the monthly benefit will be based on your Annual Earnings at the date you stopped receiving 100% of earnings from your employer.

Duration of the Survivor Income Benefit

- a) **If Your Beneficiary is Your Spouse** – the benefit is payable for your **spouse's** lifetime. If your spouse dies before 10 years of payments are made, the benefit will continue to your spouse's estate for the balance of the 10-year period.
- b) **If Your Beneficiary is Other than Your Spouse** - the benefit is payable for 10 years of payments. If your beneficiary dies before 10 years of payments are made, the payments for the balance of the 10-year period will continue to your beneficiary's estate.

For Survivor Income Benefit purposes, Spouse has the same meaning as in the Canada Pension Plan except that the Spouse is not required to be a person of the opposite sex.

Beneficiary Designations

Designation of Beneficiaries

You are required to designate two beneficiaries to receive any death benefits that may become payable under the Plan. You must complete the Designation of Beneficiary card and return it to the Plan Administration Office.

The beneficiaries you must name are:

1. A Group Life Insurance beneficiary to receive the lump sum insurance payable on your death.

2. A Survivor Income Benefit (SIB) beneficiary to receive the monthly income payable on your death.

Naming the Same Beneficiary for Both the Group Life Insurance and SIB Benefit

You may name the same beneficiary for both benefits or select different beneficiaries for each benefit. If you choose to name one person as the beneficiary for both benefits you must ensure that you have separately named that person as your beneficiary for each benefit.

Naming More Than One Person as Beneficiary

You may designate multiple beneficiaries under both benefits. However, if you name your spouse as your SIB beneficiary you cannot have multiple SIB beneficiaries because the SIB is payable to a spouse for their lifetime.

Naming Minor Children as Beneficiaries

Minor children can be named as beneficiaries, however it is strongly recommended that you consult with your lawyer or the Plan Administration Office in order to ensure that you understand all of the implications of naming a minor child.

Changing Your Beneficiary

You can change your beneficiary at any time, by completing a Notification of Change of Beneficiary card. You must then re-designate other beneficiaries even if you are changing only one of them.

Annual Earnings Calculation

Your annual earnings, for PART B - Group Life and SIB benefit purposes is the GREATER of

- a) Your daily rate of pay multiplied by 260.89* (prorated for Members who work less than full time by multiplying this amount by the percentage of full time equivalent (FTE); AND
- b)(i) Actual Gross Earnings for the last 26 pay periods, excluding the final pay period, up to a maximum of 120% of your daily rate of pay times 260.89*, OR
- (ii) If you have been employed for less than 26 pay periods your actual gross earnings will be annualized up to a maximum of 120% of your daily rate of pay times 260.89*, i.e. if employed

for 14 pay periods, actual earnings would be earnings, excluding the final pay period, divided by 13 then multiplied by 26 to determine Annual Earnings.

* 260.89 is the average number of paid days in a work year (includes holidays, ATO days and vacation)

Example 1 - \$200/day

Actual earnings for the last 26 pay periods:**	\$55,000
Earnings based on Daily rate $260.89 \times \$200$	\$52,178
Maximum Earnings ($\$200 \times 260.89 \times 120\%$):	\$62,614
Annual earnings for Benefit Purposes	\$55,000

Example 2 - \$180/day with OT pay

Actual earnings for the last 26 pay periods:**	\$57,000
Earnings based on Daily rate $260.89 \times \$180$	\$46,960
Maximum Earnings ($\$180 \times 260.89 \times 120\%$):	\$56,352
Annual earnings for Benefit Purposes	\$56,352

Example 3 - \$170/day, employed for 14 pay periods

Actual earnings for the last 13 pay periods:**	\$25,712
Annualized Earnings ($\$25,712/13 \times 26$):	\$51,424
Maximum Earnings ($\$170 \times 260.89 \times 120\%$):	\$53,222
Annual earnings for Benefit Purposes	\$51,424

** Final pay period is excluded from the calculation.

Short Term Disability

Short Term Disability (STD) – PART C

The Short Term Disability (STD) Benefit provides up to 24 months of disability income benefits to Regular Employee Members who are unable to work because of disability.

Note: STD is not available to Temporary Employee Members.

Definition of Disability under the Plan

Disability means the Member is unable to work at his normal occupation because of an injury, accident, or illness and is under the care of a physician. The physician must be licensed to practice medicine in your province of residence or some other jurisdiction approved by the Plan Trustees.

Date of Disability

This is the first calendar day that a Member is unable to work because of accident or illness. If the Member is on an unpaid leave of absence at this date, the Member's date of disability is the date the unpaid leave ceases.

Amount of STD Monthly Benefit

Your STD benefit is a non-taxable benefit intended to ensure that you continue to receive approximately the same amount of net income you were receiving while you were working. The amount of benefit is based on your Annual Earnings at the date of disability as well as any other sources of income that you are receiving while disabled. The amount of the monthly benefit payable is calculated as a percentage of your monthly earnings (Annual Earnings divided by 12) as shown in the following table:

Source of Income Other than TWBP	Paid by TWBP as a Non-taxable STD Benefit
(% of Annual Earnings)	
<i>No other income</i>	80% on the first \$20,000 60% on the remainder
<i>70% from Telus Sick Benefit</i>	18% of Annual Earnings
<i>70% from Company LTD Benefit</i>	7.5% of Annual Earnings
<i>Receiving CPP Disability Benefit</i>	80% on the first \$20,000 60% on the remainder
<i>Receiving CPP Disability Benefit plus 70% of Company Sick Benefit</i>	0% of Annual Earnings

PART C benefits payable to you will be reduced by 100% of any amounts that you receive from the Canada Pension Plan as a primary disability benefit payment. This reduction excludes any CPP cost of living adjustments that are made after your benefit payments commence.

(All benefits shown, other than WCB and TWBP payments, are taxable).

Example: Member earning \$45,000, quoted in monthly amounts

Company Short Term Plan paying 70% benefit \$2,625 taxable benefit

TW Benefit Plan: 18% of Annual Earnings = \$675 non-taxable benefit

Annual Earnings Calculation

Regular Full-time Employees

Annual Earnings for STD benefit purposes is your daily rate multiplied by 260.89

Regular Part-time Employees

Annual Earnings for STD benefit purposes is the actual gross earnings for the last 26 pay periods excluding the final pay period (annualized for periods of employment less than 26 biweekly pay periods) up to a maximum of 120% of your daily rate of pay times 260.89.

STD Benefits Start Date

STD payments start from the first day after you stop receiving 100% of earnings from your employer.

To Receive STD Benefits

In order to receive STD benefits, you must complete an Application for STD Benefits and:

- be receiving sick leave benefits from your employer; or
- provide satisfactory medical proof of your disability to the Trustees.

In addition, you must:

- suffer a loss of earnings while disabled;
- be under the regular care of a physician; and
- agree to reimburse the Plan for any overpayments. (When you complete an application for STD benefits you also agree to reimburse the Plan for any benefit overpayments.)

Note: At any time during a Member's disability period, the Trustees or their agent may request medical proof of disability.

If Your STD Claim is Denied

If your claim for STD benefits is denied, you may appeal the decision by making a written request to the Trustees for their special consideration.

Length of STD Benefit Period

Monthly STD payments continue while disabled for up to 24 months following your date of disability, but not beyond the date:

- a) you retire under the Telecommunication Workers Pension Plan; or
- b) you reach age 65; or
- c) your employment is terminated, whichever occurs first.

You May be Eligible for CPP Disability Benefits

If your disability is severe and expected to continue for more than 4 months you should apply for Canada Pension Plan (CPP) disability benefits immediately.

If You are Receiving CPP Disability Benefits While Receiving STD Benefits

Your STD Benefit from the TWBP will be coordinated with the CPP benefits until the end of the 24 month period. If you qualify for CPP Disability Benefits, you should notify the Plan Administration Office immediately.

If Your Disability is Caused by the Fault of a Third Party

STD Benefits are not payable for disabilities caused by the fault of a third party, that is someone from whom you may be seeking monetary compensation (for example, a disability resulting from a motor vehicle accident that was the fault of another person).

If your disability is caused by the fault of a third party, a Disability Loan rather than STD benefits may be payable from the Plan. The Trustees may, in their absolute discretion, provide you with a loan pending settlement of your claim against the third party PROVIDED THAT you sign an agreement to reimburse the Trustees of the Plan. The amount of reimbursement is dependent upon the actual amount of your settlement and takes into account your legal expenses and the amounts you may be required to repay to your employer.

If you release a third party of liability, without making a claim for lost wages, you will still be required to reimburse the Trustees. Therefore, in order to avoid your having to repay a loan without the offsetting recovery from the third party at fault, it is extremely important that you advise your adjuster or lawyer of your claim for lost wages at the beginning of any disability caused by the fault of a third party.

STD Overpayments

Overpayments may occur because of your STD benefits or disability loan payments being paid to you while you are awaiting a decision concerning your eligibility for other income benefits to which you may be entitled, for example from Workers Compensation, CPP disability benefits, Employer paid LTD Plan benefits or recovery from a third party. All overpayments must be repaid to the TWBP immediately after receiving a retroactive benefit from any other source.

If You Become Disabled During a Leave of Absence or Work Stoppage

STD benefits will not commence being paid while you are on a leave of absence from your employer or if you are either on strike or locked-out by your employer. STD benefits will begin on the date you would normally have returned to work.

If You Return to Work Part-Time or for a Trial Period

Your monthly benefit will be reduced by the days paid from working. The following example assumes that a disabled member returns to work for 3 days and is based on a regular full-time employee with annual earnings of \$45,000 and all figures are approximate:

Annual Earnings (pre-disability)	\$45,000
Employer paid sick benefit at 70% Annual benefit amount: Daily benefit (i.e. \$31,500/260.89) Monthly benefit (i.e. \$120.74 x 21.74 days)	\$31,500/annum (taxable) \$120.74/day (taxable) \$2,625 monthly (taxable)
Employer sick benefit deducts 3 days 21.74 – 3 days worked = 18.74 x \$120.74	\$2,263 taxable payment
TW Benefit Plan pays 18% Annual benefit amount: Daily benefit (i.e. \$8,100/260.89) Monthly Benefit (i.e. \$31 x 21.74 days)	\$8,100 \$31 per day \$675 monthly
TW Benefit Plan deducts 3 days 21.74 – 3 days worked = 18.74 x \$31	\$581 non-taxable payment
Full Pay from Company 3 days full pay \$172.49 x 3	\$517 taxable payment
Total Payment for the month from all sources	\$3,362

If You Return to Work and Again Become Disabled

- a) **Same Cause of Disability** - If you are disabled under the Plan, return to work and again become disabled within 90 calendar days following your Return to Work Date as a result of the same cause, it is considered a continuation of the same disability period. STD benefits will start from the time you again become disabled, however, the 24-month period will not restart.
If you return to work for more than 90 calendar days and become disabled it is treated the same as a different cause of disability.
- b) **Different Cause of Disability** - If you were disabled under the Plan, return to work and again become disabled as a result of a different cause, the subsequent disability is considered a new disability period
- c) **STD benefits are not payable under the Plan for disabilities caused by or resulting from:**
 - Injury or sickness which was intentionally self-inflicted, while sane or insane;

- Participation in a rebellion, a riot, or disorderly conduct;
- Participation in a war or by service in the armed forces;
- Flying or air travel, except when flying in an aircraft for which a certificate of airworthiness has been issued by the appropriate government authority and which is operated by a properly licensed pilot;
- The commission of an offence under the Criminal Code of Canada or another country;
- Non-medical consumption of drugs or alcohol, except that the Trustees may approve a claim for disability benefits if the Member is being treated for chemical dependency or alcoholism; or

Further, no STD benefits are payable while the Member:

- is institutionalized in a penitentiary or jail;
- resides at a place other than his ordinary residence or at a hospital;
- is not under the regular care of a physician.

Plan Costs

Members of B & C of the Plan pay the full cost of the benefits provided. There are no employer contributions. Contributions are made by payroll deduction and forwarded by your employer to the Plan Administrator.

Membership Contributions – PARTs B&C

The required contribution rates are a percentage of your actual gross earnings. A table showing the current required contributions for Regular and Temporary Employee Members, at various earnings levels follows:

PARTs B&C Member Contribution Per Pay Period (26 per Year)

Earnings Per Pay Period	Regular 1.5%	Temporary 1.0%
\$1,500	\$22.50	\$15.00
1,800	27.00	18.00
2,000	30.00	20.00

Contributions During a Leave of Absence

You are required to continue your contributions during any unpaid leave of absence (LOA) in order to maintain your coverage.

Your employer or the Plan Administration Office will advise you of the amount you are required to pay during a LOA.

Note: If you do not pay the required contributions, your coverage lapses and you will be required to provide satisfactory medical evidence of insurability before rejoining the Plan.

Contributions While Disabled

If you become disabled under the terms of the Plan, all of your contributions will be waived and payroll deductions will stop as soon as your earnings stop being paid by your employer. No further contributions are required and your coverage continues as long as you remain disabled and an employee of the Company under the terms of the Plan.

Claim Procedures

Claim Forms

Group Life, SIB and STD claim forms are available from the Plan Administration Office.

Death Claims

Your beneficiary should provide a completed claim form, together with proof of death (generally the Death Certificate), to the Plan Administration Office. This should be done as soon after the date of death as possible.

Disability Claims

If you are Receiving Company Sick Leave or Workers' Compensation

Benefits - you must complete an Application for Short Term Disability Benefits; no additional medical certificate is required on initial application.

If you are Not Receiving Company Sick Leave or Workers' Compensation

Benefits - you must complete a special Application for Short Term Disability Benefits plus provide a medical certificate supporting disability.

Note: At any time during disability you may be required to provide medical proof of continuing disability.

If your STD Claim is Denied

If your claim for STD benefits is denied, you may appeal the decision by making a written request to the Trustees for their special consideration.

Membership Termination

Your membership in the Telecommunication Workers Benefit Plan terminates on the earliest of the following dates:

- the date you are no longer employed by TELUS;
- the date you are no longer a Member of the TWU Bargaining Unit at TELUS

Continuation of Plan Coverage After Termination

If your membership under the Plan terminates due to termination of your employment or Plan termination, you will continue to be covered for Group Life Insurance and Survivor Income Benefit for a further 31 days. During this period you can apply to the Plan's insurance company for an individual policy of insurance for an amount not exceeding the total value of your coverage at the date your membership terminated. Although you would not have to provide medical evidence of insurability you may wish to do so in order to obtain lower premium rates which may be available to younger, non-smoking, low-risk individuals.

