

MyUnionPlan@WORK

**An overview of the
TWU-USW Employee Life and Health Plan**



AGENDA

- Background
- Organizational structure
- Plan design – ELHT and Diversified Division
- Plan design – LTD Division
- Plan design – Retiree Division

BACKGROUND

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- MyUnionPlan@WORK is a union-run benefit program originally established for members of TW-USW Local 1944
- Provides peace-of-mind benefits to members and their families
- Plan focuses on addressing gaps in existing benefit coverage
 - Groups can maintain existing coverage and use the Plan to complement their offering

BACKGROUND

- Run through a non-profit employee life and health trust
- Board of Trustees are all Local members
- Similar approach to a small insurance company
 - Annual actuarial valuations and costings
 - Liability driven investment approach similar to pension plans
- Provides group insurance coverage for eligible members at a reasonable cost
- Set up as a divisionalized Trust to facilitate needs of various member groups

MILESTONES

1983

- Plan first established
- Originally provided group life insurance benefits only
- Enrolment conducted automatically

1986

- Family Income Security Benefit and Weekly Indemnity Benefits added
- Contribution rate set at 1.2%

2003

- Contribution rate increased to 1.5%

2009

- Plan offered nationwide

2009

- Plan offered to all eligible Union members nationwide

2020

- Plan re-branded as MyUnionPlan@WORK and provider change

ORGANIZATIONAL STRUCTURE

CURRENT TRUST STRUCTURE

- Current Trust is Divisionalized
- Structure can be adapted to accommodate different groups
- Audited statements are split by Division
- All Divisions served by common Service Providers and Management Team
- Smaller Divisions benefit from leverage of the larger groups for expenses, underwriting arrangements and investment opportunities

CURRENT TRUST STRUCTURE

Trustees

ELHT
Division

Diversified
Division

Retiree
Division

LTD
Division

Plan Administrator, Plan Advisors, Service Providers

PROFESSIONAL ADVISORS

- Trustees make decisions based on recommendations from a team of professional advisors
 - Actuarial
 - Investment
 - Audit
 - Legal
- Roles of each advisor are outlined in a Governance Document
- Fundamental philosophy is that the advisory team is collectively responsible for the sound management of the Trust

PLAN DESIGN

ELHT and Diversified Divisions

Benefit	Description	Provisions
Life Insurance	Non-taxable lump sum payment paid to your designated Group Life beneficiary	1 x Annual Earnings, rounded to the nearest \$1000 + \$2000
Family Income Security Benefit	A non-taxable monthly benefit is payable to your Survivor Income beneficiary starting on the 1st day of the month following your death	<ul style="list-style-type: none"> • Monthly Benefit = 25% of Annual Earnings divided by 12 • If beneficiary is the member's spouse: Payable for the longer of 10 years or their lifetime • If other than a spouse (e.g. Children): Payable for 10 years

- Weekly Indemnity (WI) benefits
 - Non-taxable top-up to Company provided disability benefits
 - Combination of Company benefits plus Plan WI benefits replaces 100% of a member's pre-disability net income for up to 24 months
 - Benefit levels vary slightly by province
 - Provincial tax rates vary
 - Only available to members employed on a regular basis
 - For Members employed regular part-time, the amounts are pro-rated based on earnings
 - Integrated with CPP

CONTRIBUTIONS

- The Plan is entirely funded by member contributions and is self-sustaining
 - Temporary Employees contribute 1.0% of annual earnings
 - Regular Employees contribute 1.5% of annual earnings
- Rates are reviewed by the Trustees on an annual basis
 - Factors include
 - Expected claims paid
 - Required reserves
 - Demographic changes
 - Plan administration costs
 - Expected investment earnings

PLAN DESIGN

LTD Division

BENEFITS PROVIDED – LTD DIVISION

Benefit	Description	Provisions
Life Insurance	Non-taxable lump sum payment paid to your designated Group Life beneficiary	1 x Annual Earnings, rounded to the nearest \$1000 + \$2000
Long Term Disability	Monthly benefit payable following elimination period to age 60	Any-Occupation definition of disability 70%

PLAN DESIGN

Retiree Division

PARTICIPATION

- Members are eligible to join the Plan as soon as they elect to receive their Pension benefit
- Premiums are deducted from monthly pension
 - Subject to annual review by the carrier
 - Retirees pay 100% of costs
- Two Extended Health options to select from
 - Rules around switching plans manage anti-selection

RETIREE BENEFITS

Benefit	Coinsurance	Provisions
Extended Health	<ul style="list-style-type: none">• 80% of first \$1,000• 100% thereafter	<ul style="list-style-type: none">• \$50,000 lifetime limit• Basic: Pharmacare listed drugs, paramedical coverage, no vision• Enhanced: Open formulary, improved paramedical coverage, vision
Dental	<ul style="list-style-type: none">• 80% Basic• 50% Major	<ul style="list-style-type: none">• \$1,000 combined annual limit• 6 month recall examinations• Panoramic x-rays every 24 months• Complete x-rays every 36 months

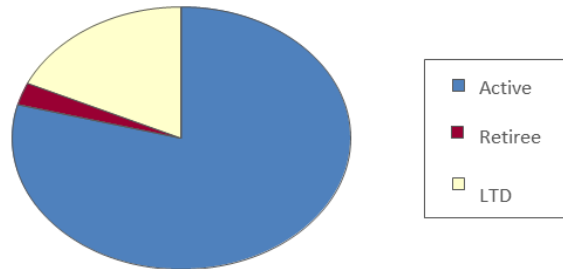
PLAN EXPERIENCE

ASSET ALLOCATION

As of June 30, 2021

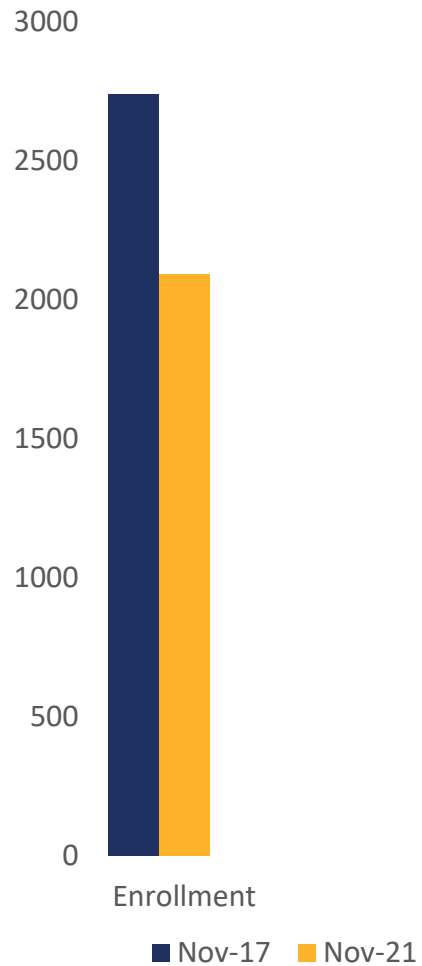
Asset Class	Market Value	% of Fund	Active	%	Retiree	%	LTD	%
PH&N	\$ 42,111,743	81.1%	\$ 31,802,094	77.4%	\$ 897,982	63.3%	\$ 9,411,668	99.9%
Government Bonds	25,275,676	48.7%	21,757,544	52.9%	-	0.0%	3,518,132	37.3%
Conventional Mortgages	7,882,926	15.2%	6,216,210	15.1%	-	0.0%	1,666,716	17.7%
PH&N High Yield Mortgage Fund	3,828,339	7.4%	3,828,339	9.3%	-	0.0%	-	0.0%
PRisM Balanced Fund	897,982	1.7%	-	0.0%	897,982	63.3%	-	0.0%
Corporate Bonds/Short Term Mortgage	4,226,820	8.1%	-	0.0%	-	0.0%	4,226,820	44.8%
SIA	\$ 9,384,222	18.1%	\$ 9,170,988	22.3%	\$ 213,234	15.0%	\$ -	0.0%
Mortgage Fund One	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Commercial Mortgage Fund	3,333,625	6.4%	3,257,876	7.9%	75,749	5.3%	-	0.0%
IFM Aggregator Fund	537,798	1.0%	525,578	1.3%	12,220	0.9%	-	0.0%
CREC Commercial Fund LP	4,567,076	8.8%	4,463,300	10.9%	103,776	7.3%	-	0.0%
Northleaf Direct Lending Aggregator Fund	945,723	1.8%	924,234	2.2%	21,489	1.5%	-	0.0%
Cash	\$ 450,757	0.9%	\$ 131,045	0.3%	\$ 307,000	21.6%	\$ 12,712	0.1%
Total	\$ 51,946,723	100%	\$ 41,104,127	100%	\$ 1,418,216	100%	\$ 9,424,380	100%

Asset Breakdown

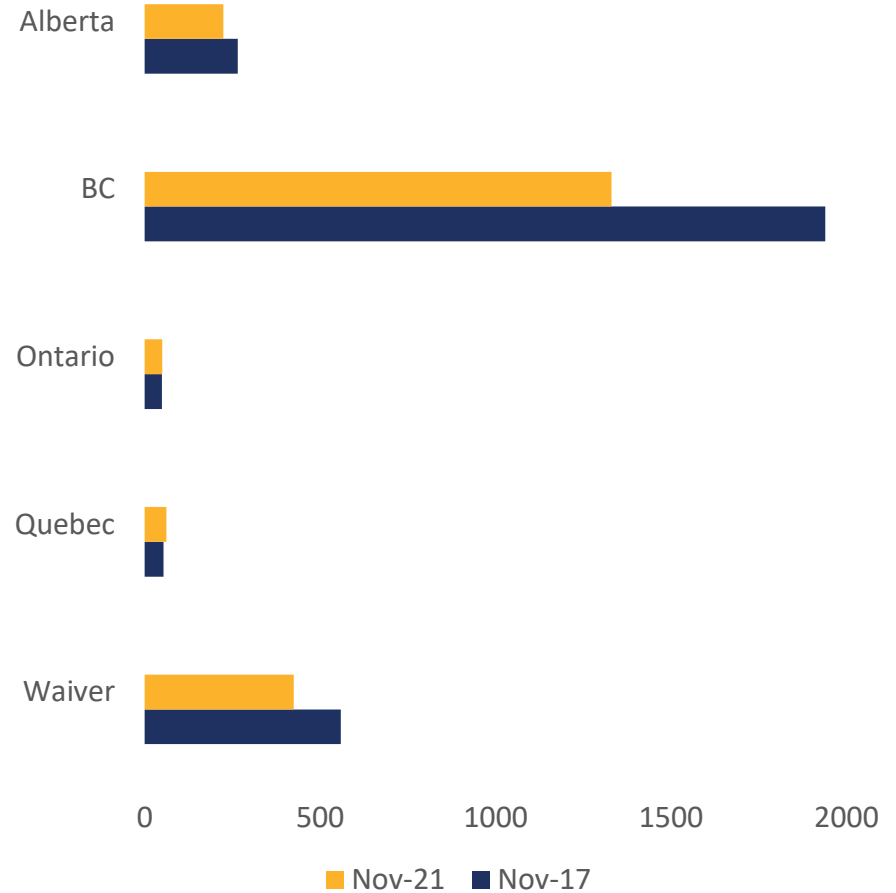


ENROLLMENT

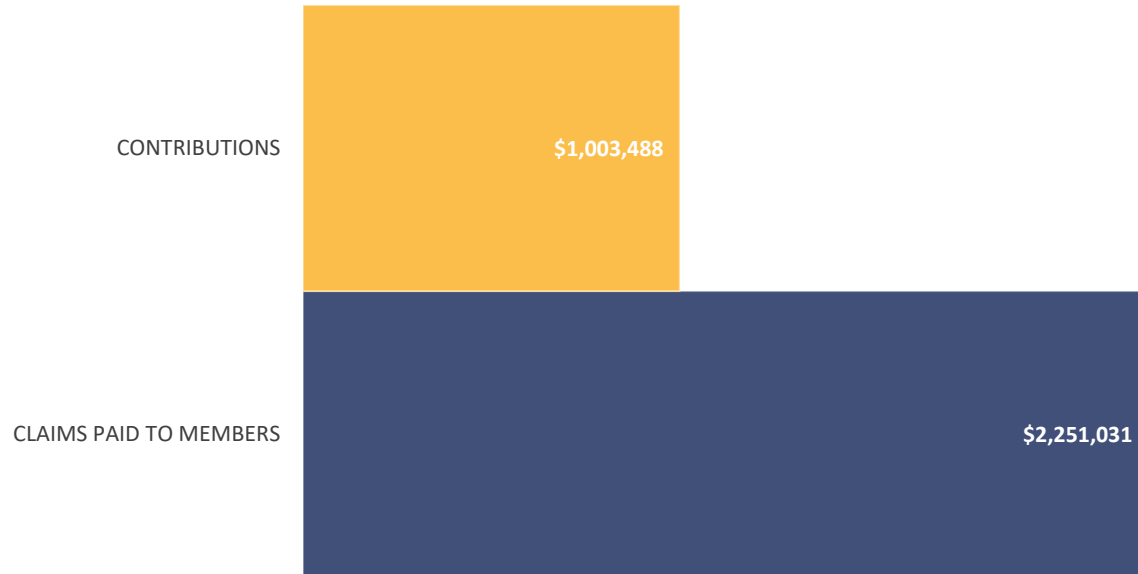
2017 vs 2021



Provincial



Value of Benefits Jan 21 - Sept 21



FUTURE OF MYUNIONPLAN@WORK