Electrical Workers' Benefits Plan ALBERTA

January 2018

MANDATORY PRE-AUTHORIZED DEBIT FOR SELF-PAYMENTS

Effective March 1, 2018, all Plan Members making a self-payment to the Electrical Industry Insurance Benefit Trust Fund of Alberta will be required to make their self-payment using Pre-Authorized Debit (PAD). Using PAD will mean that Plan Members don't have to remember to make their payment each month, thereby eliminating late self-payments.

All Plan Members currently making their self-payments by cheque, credit card, debit or on-line payments must complete a PAD Agreement and have this Agreement submitted to the Fund Office no later than February 28, 2018. However, we recommend Plan Members submit their Agreements earlier to ensure there is no interruption of your benefits.

The Personal Pre-Authorized Debit (PAD) Plan Agreement can be found on our website at www.ebfa.ca, or you may obtain one from the Fund Office.

Plan Members who have submitted post-dated cheques that extend beyond March 1, 2018 will have them returned and Plan Members who have made online payments will be refunded their payments. You will then be required to make all future self-payments using PAD. Plan Members currently using PAD will see no changes.

The Fund Office will continue to issue Self-Payment Notifications when your hour bank falls below 120 hours as a reminder that you need to make your self-payments to continue your coverage. When you receive your Self-Payment Notification, print the PAD Agreement off the website and remit the Agreement before your hour bank expires. Please note that if you are providing banking information related to a joint account, both persons named on the account will need to sign the PAD Agreement.

When you sign up to make self-payments by PAD, your monthly self-payment will be automatically withdrawn from your account each month that you do not have sufficient hours in your hour bank. You no longer have to worry about late self-payments.

Reducing Out-of-Pocket Costs For Brand Name Prescription Drugs

On January 1, 2017, Lower Cost Alternative (LCA) pricing was introduced as part of the Plan's Prescription Drug Benefit. The Plan recognizes that there are some circumstances in which Plan Members will choose to select the brand name drug rather than use the generic drug. As a Plan Member, you are responsible for the difference in cost between the drug that you receive and the LCA drug.

Health Canada requires generic drugs to have the same performance and quality as brand name drugs. The most common differences found are related to the filler ingredients. Part of Health Canada's review process requires that the drug manufacturer demonstrate that the filler ingredients have no impact on the quality, safety or effectiveness of the generic drug.

Recently, the Plan has received inquiries from Plan Members who are concerned about the out-of-pocket expenses when picking up their prescriptions for brand name drugs at the pharmacy. The easiest way to avoid some of the out-of-pocket expense at the pharmacy is to choose the LCA drug. When you choose to use the LCA drug, you only have to pay 10% of the drug cost, as the claim will be paid at 90%.

There are other options available for Plan Members who select brand name prescription drugs. Several major drug manufacturers, such as Pfizer and AstraZeneca, have introduced programs in which the drug manufacturer will pay some or all of the cost difference for Plan Members who sign up for the manufacturer's program.

Other programs, such as Innovicares and RxHelp.ca, provide no-cost program cards that individuals can present at the pharmacy which will cover part or all of the difference in the cost between the brand-name and the generic drug. The programs cover only specific drugs, as the programs are funded by some of the pharmaceutical manufacturers.

Plan Members can discuss these programs with their doctor and their pharmacist.

Disclaimer: The information provided in this newsletter is designed to provide helpful information. EBFA and the Board of Trustees are not affiliated with any of the programs that provide assistance with the difference in costs between brand name drugs and LCA drugs and any references provided are not meant to be an endorsement. The decision to enroll in any of the programs mentioned in this article is solely at the discretion of the Plan Member.

NEW SELF-PAYMENT RATES EFFECTIVE MARCH 1, 2018

Members/Retirees	S/P Code	Amount	SASK Residents (PST – 6%)	Ontario Residents (RST - 8%)
Active - Age 16-64	**2**	**$294.00**	$311.64	$317.52
Retirees - Age 50-54	**T**	**$294.00**	$311.64	$317.52
LTD	**8**	**$147.00**	$155.82	$158.76
Retirees - Age 55-64	**R**	**$271.00**	$287.26	$292.68
LTD	**J**	**$136.00**	$144.16	$146.88
Active - Over 65	**D**	**$222.00**	$235.32	$239.76
Retirees - Over 65	**B**	**$206.00**	$218.36	$222.48

EFFECTIVE APRIL 1, 2018

Dental Benefits will be paid on the 2018 Schedule of Fees.

JANUARY 2018

Dear Pension Plan Member/ Beneficiary:

Change in Calculation of Lump-Sum Termination Benefits
CRA/AB Registration No. 0383224

The Board of Trustees of the Electrical Industry Pension Trust Fund of Alberta (Pension Plan) recently submitted the *Application for Solvency Funding Exemption and Going Concern Commuted Value Payout Option for a Collectively Bargained Multi-Employer Plan (Application)* to the Office of the Superintendent of Pensions – Alberta Finance. The Application allows the Pension Plan to payout commuted values on a going concern basis; whereas currently, the Pension Plan pays out commuted values on a solvency basis.

The change will be effective on all commuted value calculations processed on and after January 1, 2018.

The purpose of this letter is to advise the Plan Members and Beneficiaries of the Pension Plan of the reasons and the implications of this change.

Background Information

On November 21, 2017 the Government of Alberta amended the Employment Pension Plans Regulation (Regulation) to establish a new commuted value payout option. This new commuted value option is available to Collectively Bargained Multi-Employer Plans (CBMEPs) that are under a solvency moratorium.

The amended Regulation provides that CBMEPs that have made application and received approval can pay out commuted values on the same basis that the Plan is funded, also known as the going concern basis. This change ensures the continued sustainability of the Pension Plan.

What is a Commuted Value? A Commuted Value is the lump-sum payout value of future pension payments, calculated at a present date. Generally, such a calculation is required when a Beneficiary, Plan Member (or Spouse) transfers the value of a pension out of the Pension Plan on termination, death, shortened life expectancy, or non-resident status. A lump-sum value may also be required for pension splitting on a marital breakdown. In such situations, money is transferred out of the Pension Plan.

How does this change affect me?

1) Your pension is not being reduced with this change. Pension benefits will continue to accumulate the same way, based on the same formula. This change will not affect your monthly pension if you retire and commence a pension from the Pension Plan. In addition, there is no impact for active members who terminate their participation in the Pension Plan and choose to receive a deferred pension.

2) Lump-sum termination benefits will now be calculated on a going concern assumption basis. This may result in lower or higher lump-sum payments for Plan Members who choose to withdraw their benefit from the Pension Plan when they terminate participation before retirement.

3) If the Pension Plan's going concern funded ratio is less than 100% (i.e. there is a deficit) and you have terminated your participation in the Pension Plan, your lump sum would be multiplied by the Pension Plan's going concern funded ratio.

    o For example, if the Plan's funded ratio is 95% and you choose to take a lump sum payment, your benefit would be multiplied by 95% (this would be your final payment). If you choose to leave your money in the plan and receive a deferred pension, this adjustment will **not** apply.

The Board of Trustees wanted the Members and Beneficiaries of the Pension Plan to be fully aware of the change being made. We believe that changing the basis upon which lump-sum termination benefits are calculated is a positive change for the Pension Plan Members and Beneficiaries.

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Contact Us

Employee Benefit Funds Administration
ALBERTA

Phone: 780-465-2882
Toll Free: 1-800-268-3649
Email: info@ebfa.ca