



THIS ISSUE



Advantages of Being a Plan Member of the Health and Welfare Fund 1

Pre-Authorized Debit (PAD) The Preferred Method for Self-Payment 1

Information Regarding Your Pension Plan 2-3

Introducing NexgenRX Mobile Application 4

Employee Assistance Program 4

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Advantages of Being a Plan Member of the Health and Welfare Fund

Plan Members have been utilizing the benefits of the Health and Welfare Fund for the past 46 years. You and your Beneficiaries have appreciated the drug, dental, vision and supplementary health care benefits but are you aware that an Employee's participation in a Health and Welfare Fund is on a before tax basis? Substantially all of your health benefits obtained through the Health and Welfare fund are tax-free. It is only the disability and life insurance portion of the premiums that are considered taxable benefits by the Canada Revenue Agency.

If you did not have coverage in the Health and Welfare Fund you may have chosen to obtain these benefits by buying a private policy. In order to do so you would have used your personal funds on which you have already paid tax, on average at about 30%. In Canada there is a tax credit granted for medical expenses and this does include premiums paid for health benefits. You should be aware that to qualify for this tax credit your total medical expenses must be more than 3% of your net income or \$2,237, whichever is less. The tax credit of 15% is available on the remainder of your medical expenses including health premiums. This is much less than the 30% tax you paid on the money you used to pay for the premiums.

The cost of buying individual health coverage can be expensive, as the premiums will vary depending on your age and health status. The Health and Welfare Fund can provide health coverage at a lower overall cost through "pooling" as the group as a whole is in good health. Because the benefits are provided on a group basis, you do not need to go through a medical exam and coverage is not denied should you or your Dependent have a serious or pre-existing medical condition.

Your Health and Welfare Fund has provisions in the Plan to allow your benefits to continue once you are no longer eligible through employment or due to retirement. The Plan allows you to make Self-Payments to continue your coverage through employment and into retirement. These Self-Payments do qualify as a medical expense for tax purposes and may be eligible for a tax credit. For those retirees over age 55 the Plan has a "Years of Service Bank" provision that grants Plan Members who have maintained continuous coverage 1 ½ months of benefits for each year of service with the Health and Welfare Fund. This benefit comes at no cost to these Plan Members.

The Health and Welfare Fund continues to provide health benefits to its Plan Members in a cost effective, tax efficient manner.

Pre-Authorized Debit (PAD) The Preferred Method for Self-Payment

Use the preferred method of paying your self-payments by signing up for the Pre-Authorized Debit (PAD). You will never have to worry about having a late self-payment again! The Fund Office will automatically deduct the premiums before the end of the month, without you having to remember to call in or go online. Signing up is easy. The PAD Agreement can be found in the Forms section on the left side of our website (www.ebfa.ca). Send your completed PAD Agreement along with your bank account information to the Fund Office and we can make your self-payment experience so much easier.

If you are making self-payments by credit card, cheque, or online payments, you must remember to have your payment in to the Fund Office prior to the last day of every month for the following month. If payment is not received on time, you will have no benefits for the month of your first late self-payment and your benefits will terminate if you incur a second late self-payment.

Information Regarding Your Pension Plan

What is a MEPP?

In general, multi-employer pension plans (MEPP's) are registered pension plans with two or more participating employers. Because a MEPP is typically structured for employers within a common industry or drawing from the same workforce, contributions tend to be negotiated uniformly amongst employers and the benefits provided from the contributions are also provided uniformly to the membership.

How Are Contributions to the Pension Plan Determined?

Under the Pension Plan, the contribution rates for the employers have been negotiated by Local Union 424 and the Electrical Contractors Association of Alberta to be \$6.35 per hour. This has been the employer contribution rate since November 2, 2014. **Plan Members do not contribute to the Pension Plan.**

Contributions remitted to the Pension Plan by employers are not allocated to any one individual. They are remitted, invested, and used to provide benefits under the Pension Plan.

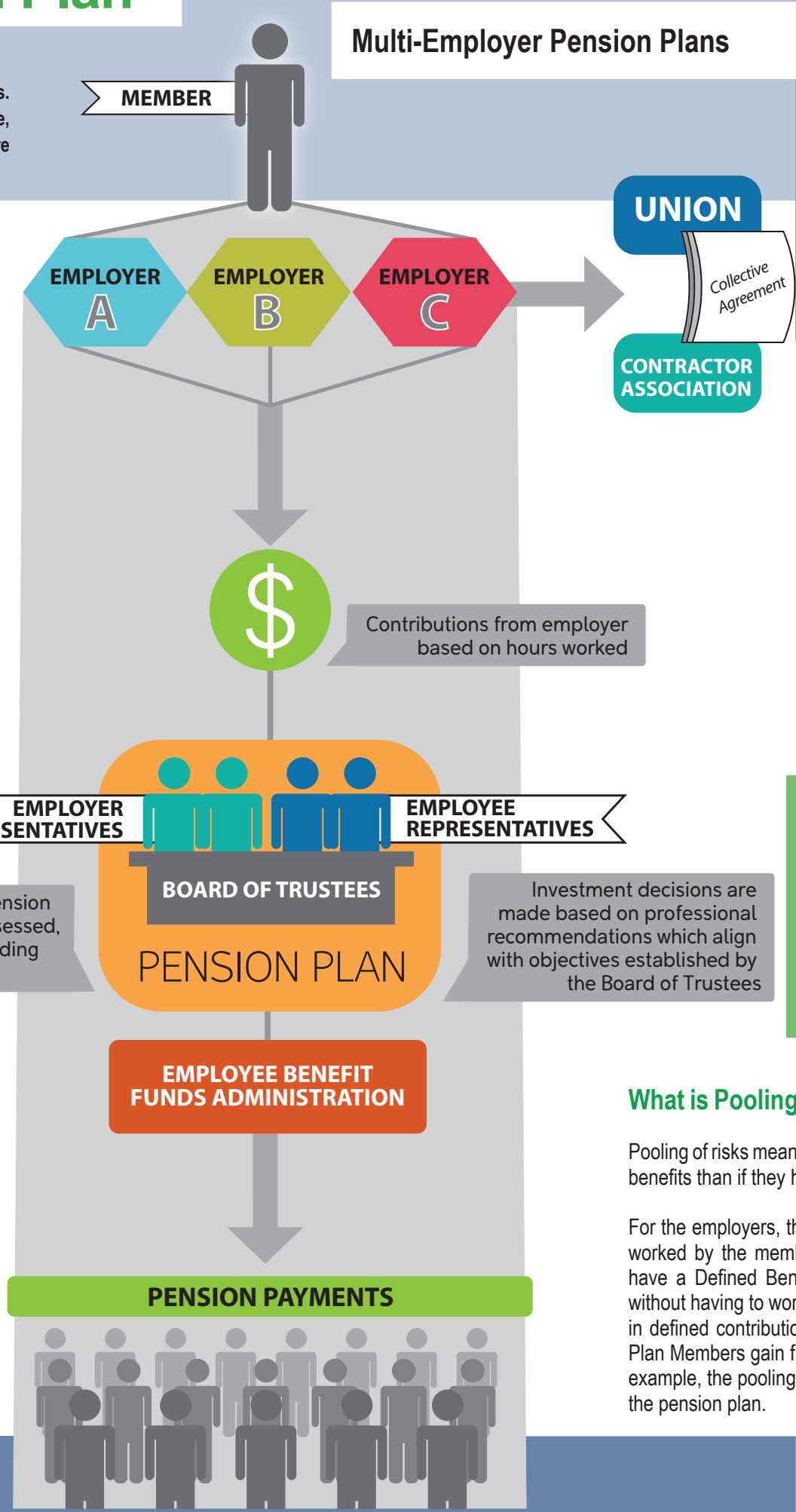
How is the Pension Plan Governed?

A Board of Trustees, consisting of an equal number of employee and employer representatives administers the Pension Plan and, subject to pension legislation, has full control and responsibility for the Pension Plan. A key part of the administrative role is investing the plan assets, keeping records of service for each Plan Member, monitoring pension plan contributions, and calculating pensions and benefits under the Pension Plan.

The Trustees hire investment managers to make investment decisions within guidelines and objectives set by the Trustees in conjunction with their professional advisors.

The Actuary performs an actuarial valuation which assesses the financial health of the Pension Plan and determines the funding requirements.

The Trustees may amend, modify, or terminate the Plan. They also control the benefit levels provided to Plan Members of the Pension Plan. In the last 44 years, the Plan has not had to reduce benefits.



Are my pension benefits secure?

In order to determine if the contributions that are remitted to the Pension Plan are sufficient to pay for the promised pension benefits the Plan's Actuary performs an actuarial valuation. Valuations are required to be done under pension legislation. The valuation compares the existing assets of the Pension Plan to the obligations already accrued under the Pension Plan. The valuation also looks at the ability of new contributions to fund new benefits that are going to be earned. If the valuation reveals that assets are greater than liabilities and that future contributions are sufficient to provide for expected new benefits then the pension benefits are generally considered to be well funded. Both of these conditions currently exist under the Pension Plan.

A key goal of the Trustees is to ensure the Pension Plan is sustainable over the long term. Accordingly, with the help of its advisors, the Trustees will continue to monitor the contributions that are remitted to the Pension Plan and the performance of the Pension Plan's investments to ensure the pension benefits are sustainable.

How are Pension Benefits Determined?

As previously mentioned, the Trustees administer the Pension Plan and set the benefit levels under the Plan for retirement (early, normal and postponed), forms of pension available to Plan Members, as well as termination, disability, and death benefits, etc. Trustees rely on the work and advice of the Plan's Actuary when making these decisions with the goal that the Plan is sustainable over the long term.

An Employee becomes a Plan Member on January 1st following two consecutive years of hours reported by a Contributing Employer. In order to qualify for Benefits, the Plan Member must have 350 hours in each of the two consecutive Plan years. The monthly pension benefit that Plan Members receive depends on their hours worked and varies depending on when the benefit was earned. As an example, for hours reported on and after January 1, 2001, the monthly pension at age 65 is \$6.00 for each 100 Future Hours Credit (with pro-rata for less than 100 Future Hours Credit) earned by the Plan Member. Plan Members earn one Future Hours Credit for each Covered Employment Hour with an employer that contributes to the Pension Plan.

Thus, contributions help to fund the pension benefits but do not determine your pension benefit.

What is Pooling and how does it make pension plans safer?

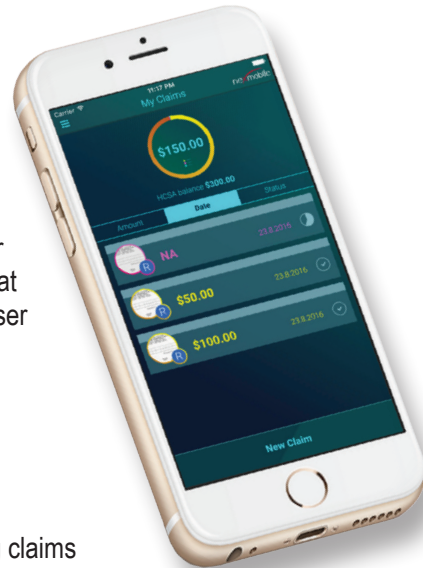
Pooling of risks means that Plan Members can generally expect to receive greater benefits than if they had to absorb the risks and costs on their own.

For the employers, the advantage of a MEPP is the fixed contributions per hour worked by the members. For the Plan Members, the advantage is that they have a Defined Benefit which sets an anticipated level of retirement income without having to worry about the investment and longevity risks that are present in defined contribution/RRSP type plans. In addition, both the employers and Plan Members gain from the administrative cost efficiencies for large plans. For example, the pooling of assets results in lower investment management fees for the pension plan.

Introducing NexgenRX Mobile Application

NexgenRx, the provider of your benefit drug card, is pleased to announce the launch of their mobile application **NEXMOBILE**.

The NEXMOBILE app can be downloaded on IOS and Smart phones and will allow you to access your drug claim information via the web and your phone. You can sign into the app using the same User ID and Password that you currently use to access your information online. If you do not have a User ID and Password, please contact NexgenRx Inc. for assistance.



NEXMOBILE allows Plan Members to:

- access personalized drug benefit and claims information
- submit prescription drug claims through the app
- add banking information for direct deposit of the payment of their drug claims
- check on the status of their drug claims

Should you have any questions regarding your drug program, web services or mobile application, please contact NexgenRx at 1-866-424-0257 or by email at memberhelp@nexgenrx.com.

Employee Assistance Program

LifeWorks is the Employee Assistance Program (EAP) provider for the Electrical Industry Insurance Benefit Trust Fund of Alberta.

LifeWorks provides confidential counselling, consultations, community referrals, multimedia resources and online access to hundreds of articles, self-assessments, blogs, podcasts, calculators and more. Services are available 24 hours a day, seven days a week, and are provided at no additional cost to you and your dependents, as defined by your benefits plan.

Life

- Retirement
- Midlife
- Student Life
- Legal
- Relationships
- Disabilities
- Crisis
- Personal Issues

Health

- Mental Health
- Addictions
- Fitness
- Managing Stress
- Nutrition
- Sleep
- Smoking Cessation
- Alternative Health

Family

- Parenting
- Couples
- Separation/Divorce
- Older Relatives
- Adoption
- Death/Loss
- Childcare
- Education

Work

- Time Management
- Career Development
- Work Relationships
- Work Stress
- Managing People
- Shift Work
- Coping with Change
- Communication

Money

- Saving
- Investing
- Budgeting
- Managing Debt
- Home Buying
- Renting
- Estate Planning
- Bankruptcy

Online Toolkits

- Mindfulness Toolkit
- Divorce Toolkit
- Identity Theft Toolkit
- Estate Planning & Will Kit
- Financial Toolkit
- Manager Toolkit

Services

- Nutritional Counselling
- Online Depression Centre
- Online Stop Smoking Centre
- Career Cruising
- Naturopathic Services

You can contact LifeWorks:
Toll-free at 1-877-207-8833
TTY at 1-877-371-9978

Online at login.lifeworks.com
User ID : EBFA
Password : mywellness



This newsletter provides summary information about the Electrical Industry Insurance Benefit Trust Fund of Alberta and the Electrical Industry Pension Trust Fund of Alberta (registration no. 0383224) in simple terms. It is not intended to be complete or comprehensive, or to provide legal or medical advice. If there are any discrepancies between this newsletter and the wording of the legal documents that govern the plans, the Legal documents will apply in all cases. Each of the plans is administered by a Board of Trustees, c/o Employee Benefit Funds Administration Ltd. (EBFA). For a comprehensive look at your Benefits Plan and Pension Plan, please refer to the applicable Plan Booklet.