OVER the WIRE

Employee Benefit Funds Administration ALBERTA

HAVE AN OUTSTANDING CLAIM?

EBFA working towards improving claims processing timeliness

It's a busy time of year for EBFA's claims department. Traditionally, the Fund Office sees higher claim volumes from October to March. That's because the Plan provides maximum amounts of coverage on a calendar year basis. So, many Plan Members try to use up their health benefits in the latter months and submit those claims to the Fund Office before the end of the calendar year. The increased volume is carried over to the start of the following calendar year. Claim volumes also increased in the first quarter of the calendar year as Plan Members take advantage of the new maximums for the new year.

The Fund Office is making efforts to process all claims received during this busy time by adding resources and revising workflows. This will allow us to improve efficiency so that we are able to reach our quality level of service.

There are also a couple of things Plan Members can do to help with claims processing:

SUBMIT SOONER

A Plan Member can submit claims immediately to the Fund Office after an expense is incurred rather than waiting until the end of the calendar year.

PROVIDE COMPLETE PAPERWORK

Claims processing may be delayed due to incomplete paperwork. Delay can be avoided if Plan Members have filled out all the required information on the correct direct reimbursement forms before submitting claims to the Fund Office, including signing and dating the form, attaching receipts and/or invoices, as well as including referral paperwork, if applicable. Whenever possible, EBFA claims staff will contact Plan Members and service providers to get more information and documentation necessary to complete the claim. As a last resort, the Fund Office may need to send the paperwork back to the Plan Member to obtain the required information.

Looking to submit a claim? Email (claims@ebfa.ca), fax or drop off your claims to the Fund Office.

Electrical Workers' Benefits Plan ALBERTA

Electrical Workers' Pension Plan ALBERTA

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 pay out commuted values on a going concern basis rather than 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 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.

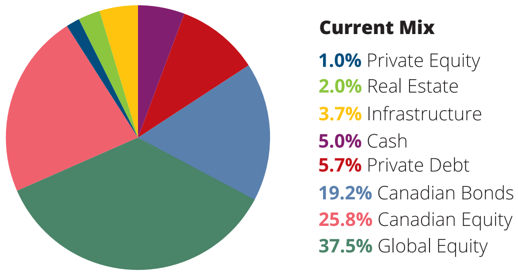
2 Your pension is not being reduced with this change. Pension benefits will continue to accumulate the same way, based on the same formula. This change will not affect your monthly pension if you retire and commence a pension from the Pension Plan. In addition, there is no impact for active members who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

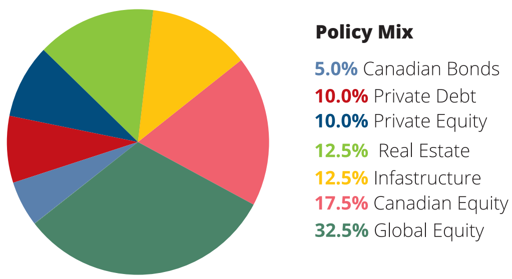
3 If the Pension Plan's going concern funded ratio is less than 100% (i.e. there is a deficit) and you have terminated your participation in the Pension Plan, your lump sum would be multiplied by the Pension Plan's going concern funded ratio.

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.

PENSION PLAN INVESTMENTS

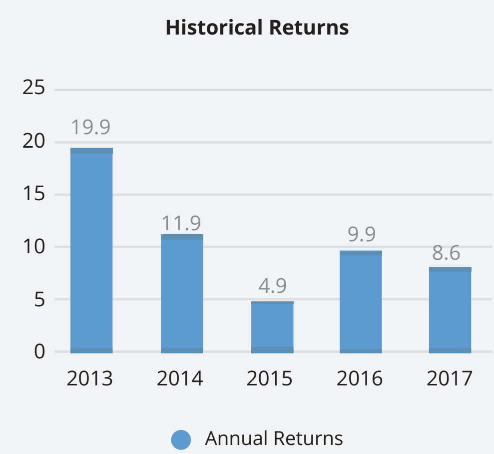




As of December 31, 2017, the Pension Plan investment fund has grown to 1.22 billion dollars, up from 1.11 billion dollars at the end of 2016. The Pension Plan returned 8.6% in 2017 with most asset classes adding value over their passive benchmarks. For public investments, Global Equities displayed the strongest absolute returns for the year, at 15.2%, slightly underperforming the passive benchmark of the MSCI ACWI (C$) index. Most private investments outperformed their respective benchmarks adding significant value to the fund in 2017.

A new policy mix was approved in early 2016 by the Trustees, reducing the public market exposure of the Pension Plan, and increasing the allocation to private markets. The new policy mix is designed to provide expected returns similar to those the Pension Plan has historically experienced, but with less volatility. Over the past five years, the Pension Plan had a 10.9% annualized return and over the last 15 years it has generated an 8.2% annualized return.

The move toward alternative investments and closed-end funds will help reduce volatility, but will take several years to prudently implement. The Trustees have established a disciplined implementation strategy in consultation with their professional advisors. The Pension Plan has committed to several open-end private investments this year in an effort to smooth the transition to alternative asset classes. Over the past year, the Pension Plan has committed capital to one closed-end real estate fund (Brookfield Real Estate Fund III), and three open-ended funds (IFM Investors Infrastructure Fund, Brookfield Sr. Mezzanine Real Estate Finance Fund, and MGG Private Debt Fund).



This bulletin 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).

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 were 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.

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. In the event of non-sufficient funds (NSF), you will not receive Benefits for that month and will be charged an NSF fee of $35.00 in addition to your self-payment fee. If at any time a subsequent self-payment results in non-sufficient funds, you will no longer be entitled to self-pay and your coverage will terminate.

NEW SELF-PAYMENT RATES EFFECTIVE MARCH 1, 2018

EFFECTIVE APRIL 1, 2018

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

MEMBERS/ RETIREES	S/P CODE	AMOUNT	ONTARIO RESIDENTS *(RST - 8%)*
Active - Age 16-64	2	$294.00	$317.52
Retirees - Age 50-54	T	$294.00	$317.52
LTD	8	$147.00	$158.76
Retirees - Age 55-64	R	$271.00	$292.68
LTD	J	$136.00	$146.88
Active - Over 65	D	$222.00	$239.76
Retirees - Over 65	B	$206.00	$222.48

In August 2017, the Government of Saskatchewan introduced a provincial sales tax (PST) on health benefit premiums. On February 26, 2018, the Saskatchewan government rescinded the tax retroactively. Consequently, the Fund Office will be refunding the Saskatchewan PST to Plan Members who paid provincial sales tax on their March 2018 self-payments.