OVER the WIRE

SEPTEMBER 2020

T4A SLIPS FOR GROUP TERM LIFE INSURANCE

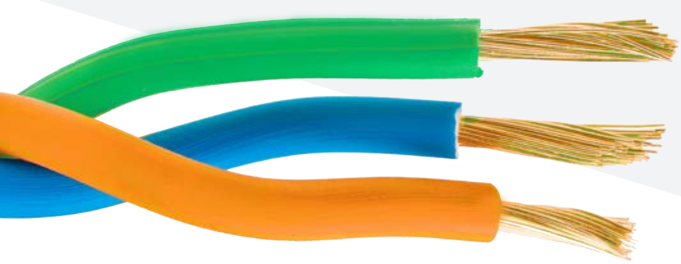
Effective January 1, 1994, the Canada Revenue Agency (CRA) implemented a taxable benefit for Plan Members who gained coverage through hours worked by a Contributing Employer and qualified for "Group Term Life Insurance". As a result, the Electrical Industry Insurance Benefit Trust Fund of Alberta began issuing T4A slips to Plan Members in 1994 on the taxable life insurance premiums. Data files are provided to CRA each year confirming all T4A slips issued by the Plan.

Plan Members making self-payments are exempt from paying tax on their Life Insurance premiums as they pay the premiums rather than an Employer.

In 2013, CRA added Accidental Death and Dismemberment (AD&D) premiums as a taxable benefit. Consequently, T4A slips issued for 2013 and subsequent years included the cost of AD&D premiums. There are no Dependent premiums for AD&D benefits, as this benefit is only for Plan Members.

The total amount reported on each yearly Plan Member's T4A consists of the actual amount of premiums paid to the insurance companies for the eligible Plan Member's (and their Dependents) life insurance and AD&D benefit. Premium rates can change more than once a year. However, normally the new premium rates take effect on January 1st of each year.

Eligible Plan Members under age 65 on long-term disability may qualify for the waiver of their life insurance premiums (certain rules apply). This is known as "premium waiver." In 2009, the Board of Trustees increased life insurance coverage for disabled Plan Members on the premium waiver. This ensured that all eligible Plan Members qualify for the same amount of life insurance. Plan Members approved for the premium waiver also receive a T4A for the amount on the "top-up" of the life insurance death benefit to the current amount.



Plan Members who were eligible through hours worked by a Contributing Employer should ensure that they provide a current address to the Fund Office at the beginning of each calendar year. This will guarantee the Plan Member's T4A slip is mailed to the proper address. Address changes can be made by calling the Fund Office directly to report the new address, or by mail or email.

Electrical Workers' Benefits Plan ALBERTA

Electrical Workers' Pension Plan ALBERTA

BARGAINING AND NON-BARGAINING EMPLOYEES

Questions often arise as to who is considered a **"bargaining"** Employee and who is considered a **"non-bargaining"** Employee. Both bargaining and non-bargaining Employees will have their hours and contributions submitted to the H&W and Pension Plan in accordance with:

- the Trust Agreements,
- the H&W Plan Booklet, and
- the Collective Agreement.

BARGAINING EMPLOYEES

A bargaining Employee means a person who is an Employee working within the classifications of employment set out in the Collective Agreement. Employers will submit hours and contributions to the H&W and Pension Plan based on the Collective Agreement.

NON-BARGAINING EMPLOYEES

If an Employee is not working under the terms of the Collective Agreement, they are classified as a "non-bargaining" Employee and are also known to be working "out of scope." If a bargaining Employee is also a Director of the participating Employer, or the Employee owns fifty percent (50%) or more of the Employer's company, then the Employee must be categorized as a "non-bargaining" Employee. Non-bargaining Employees working for an Employer also include Managers and/or the Administrative Staff of the Employer.

If an Employer subject to the Collective Agreement is a Director, or Employee owing 50% or more of a company (non-bargaining Employee), the Employer cannot open a bargaining or non-bargaining account unless the company has at least one Employee.

Non-bargaining Employees will not have their hours worked reported to the H&W or Pension Plan in the same manner as a bargaining Employee. Instead, the Employer will determine if they wish to remit either 140 or 160 hours per month on behalf of the non-bargaining Employee. The Employer must remit the same number of hours per month to both the H&W and Pension Plan, regardless of actual hours worked.

If an Employer wishes to contribute for their non-bargaining Employees, the Employer must:

1. have a non-bargaining account open and complete a new Schedule A and B, and
2. apply for a non-bargaining account and have it approved by the Board of Trustees of each Fund.

Employers should contact the Accounting Department of the Fund Office regarding any questions on their accounts.

PENSION PARTNER VS. BENEFICIARY

The Employment Pension Plans Regulation stipulates which items must appear on the annual Pension Statements. Some of the items that must be included are the Plan's Canada Revenue Agency registration number, contact information of the Administrator, personal information regarding the Plan Member, the name of the Plan Member's Pension Partner and the name of the Plan Member's designated Beneficiary. For a complete listing of all items, please refer to the Employment Pension Plans Regulation.

Pension Partners are:

- persons who, at the date of determination, are married and have not been living separate and apart for a continuous period longer than three (3) years; or
- persons who, at the date of determination, have been living in a marriage-like relationship
    - (i) for a continuous period of at least three (3) years; or
    - (ii) in a marriage like relationship of some permanence and there is a child of the relationship by birth or adoption.

One of the most frequently asked questions is: **"Why is my Spouse (Pension Partner) not named as my Beneficiary on the Pension Statement?"**

Under the Employment Pension Plans Act (EPPA) and the rules of the Pension Plan, a Pension Partner and a Beneficiary receive different types of benefits. Therefore, a Pension Partner cannot be listed as a Plan Member's Beneficiary. For example, a Pension Partner qualifies for a joint & survivor pension in the event of the Plan Member's death, but a Beneficiary does not qualify for this entitlement.

If a Plan Member were to pass away, EBFA will first determine if the Plan Member had a Pension Partner at the time of death. The Pension Partner must meet the EPPA's definition of a Pension Partner and cannot have elected to waive their rights to the death benefit. Once a Pension Partner is determined, the death benefit will automatically be paid to the Pension Partner. The Pension Partner will be required to complete the Application for Death Benefits as well as some accompanying documents before a payment can be made.

If a Plan Member has no Pension Partner at the time of death, or if the Pension Partner waived their rights, the death benefit reverts to the Plan Member's registered Beneficiary(s). Beneficiaries can be registered by completing a Registration and Declaration of Beneficiary Form (Registration Form) and submitting the Form to the Fund Office. Registration Forms can be found on our website at www.ebfa.ca If no Beneficiary is registered with the Fund Office, the Beneficiary becomes the Plan Member's estate.

Plan Members should review the accuracy of all information shown on their Annual Pension Statement including whether or not your Pension Partner or Beneficiary(s) are registered with the Pension Plan.

HOW DO THE TRUSTEES DETERMINE WHICH COMPANIES TO INVEST IN?

The Trustees for The Electrical Industry Pension Trust Fund of Alberta, and the Electrical Industry Insurance Benefit Trust Fund of Alberta ("the Trust Funds") are responsible for the development and monitoring of the investment program of the Trust Funds, but they do not directly select which companies to invest the Trust Fund's assets. This security selection responsibility is delegated to Investment Managers who specialize in security selection, research, and asset class portfolio management. This process is industry best practice and is applied by virtually all pension and benefit plans.

Investment Managers review thousands of potential companies within their investment universe, looking at factors such as competition, growth potential, company management and current valuation to determine in which companies to invest. Investment Manager's funds may have different styles with some focused on companies with strong growth prospects (growth investing), while others will be more focused on the current valuation of the companies and if they believe it is underpriced (value investing).

The Trustees are responsible for choosing which Investment Manager's funds are best suited for the Trust Funds. The first step is determining the appropriate level of investment risk the Trust Funds can take on to provide its members with ample long-term investment performance, acknowledging the liabilities the Trust Funds face. The Trustees in conjunction with their Investment Consultant and/or Actuary will construct a target asset mix across different public and private asset classes that is best suited to meet the Trust Funds' investment goals.

When choosing an Investment Manager, the Trustees will diligently work with their Investment Consultant to determine a list of candidates that fit into the risk and return objectives of the Trust Funds. Manager searches are performed in all asset classes defined in the target asset mix. Key characteristics identified during the search process may include style, key personnel, and risk/performance metrics. Once a short list is determined, the Trustees will interview the candidates and decide whether to proceed with an investment in their Fund. Often multiple Investment Managers are selected within the same asset class to diversify risk further.

Employee Benefit Funds Administration
ALBERTA