

AFTER WORK™

THE PLAN OFFICE NEWSLETTER
SPRING 2017



PENSION AND LTD NEWS

THE PLAN OFFICE IS HERE TO HELP YOU

The Plan Office administers the IWA–Forest Industry Pension and LTD Plans & Rehabilitation Services. These plans were created decades ago to provide financial support to forestry workers and their families.

A board of trustees representing union and industry members oversees each plan and sets plan rules and benefit levels.

The Plan Office administers both plans according to their plan texts and trust agreements, and manages both pension and LTD funds according to the investment policies set by the trustees.

Last year, the Plan Office:

- Received 19,167 phone calls in the pension department (that's over 70 calls per work-day, or 9 every hour!),
- Hosted over 50 pension seminars,

- Processed and mailed 55,000 retired, active and deferred member statements,
- Assisted 76 members return to work after a long-term disability, and
- Provided rehabilitation services to 504 members who subsequently returned to work during the short-term disability period.

Contact us if you have any questions about your pension or LTD plan. You can reach us by phone or email, or by appointment at our Burnaby office.

WHICH PLAN DO YOU BELONG TO?

There are 14,991 active pension plan members and 11,035 contributing LTD plan members. Most, but not all members contribute to and are eligible for benefits from both the pension and LTD plans. Not sure which plan you belong to? Your paystub or T4 should show your contribution deductions and benefits. Active, deferred and retired pension plan members will also receive annual statements in the mail, provided we have your current address. Still not sure? Ask your employer or contact the Plan Office.

PENSION AND LTD NEWS

WELCOME TO YOUR NEWSLETTER

Welcome to AFTER WORK™, a newsletter for members of the IWA–Forest Industry Pension Plan and the IWA–Forest Industry LTD Plan & Rehabilitation Services. Read this newsletter to learn more about both plans, including financial highlights, important plan updates, and news and tips from experts at the Plan Office. We will mail this newsletter to all members twice a year, once in spring and again in fall.

USE EMAIL?

Sign-up for our newsletter at iwafibp.ca/newsletter-sign-up, and we'll email future copies to you as well.



THE PLAN OFFICE OF THE
IWA–FOREST INDUSTRY
PENSION & LTD PLANS

FOR PENSION PLAN MEMBERS

NOW A TARGET BENEFIT PLAN

On December 31, 2016, the IWA–Forest Industry Pension Plan transitioned from a multi-employer negotiated cost defined benefit plan, to a target benefit plan. We're in good company—30 pension plans accounting for almost 130,000 active and retired members in BC have converted to target benefit plans since legislation passed in 2015.

WHY CHANGE?

In 2015, the BC government paved the way for multi-employer plans like ours to convert to target benefit plans. Thanks to the new funding rules for target benefit plans, your pension is now more stable and less prone to cuts.

WHAT DOES THIS MEAN FOR YOU?

Your monthly pension income at retirement has not and will not change as a result of the transition—whether you are a retired member already receiving a pension, or you are an active or deferred member or spouse who will receive a pension in the future. If you leave your funds in the plan and let it do its work, you will collect your pension with greater peace of mind than ever before. The transition has no impact for participating employers and does not affect the LTD plan.

SPREADING THE WORD

To inform all members of the change, the Plan Office went on a roadshow in October and November 2016. The roadshow included:

- 57 sessions scheduled in 37 different towns throughout BC,
- A total attendance of 900 members and spouses, and
- Approximately 200 litres of coffee and water consumed!

Thanks to all members who attended the sessions. For more information on target benefit plans, visit iwafibp.ca/pension-plan-transition.

FOR PENSION AND LTD PARTICIPATING EMPLOYERS

EMPLOYER CORNER

Approximately 450 employers participate in the pension and LTD plans. These include both multi-national corporations employing thousands of people, small independent owner-operators, and everything in between. Our participating employers and members work in many different forest industries, from heli-logging to log hauling and road building, and sawmills to silviculture.

ENROLMENT CARDS

A reminder to all participating employers to complete and submit enrolment cards to the Plan Office for every new hire. This means less paperwork for you in the future, and also ensures records are kept up-to-date and members receive timely updates from the Plan Office.

FURTHER RESOURCES

For a list of FAQs, information on reporting contributory hours and to view the employer administration manuals, please visit iwafibp.ca/employers.

FOR LTD PLAN MEMBERS

RECENT IMPROVEMENTS TO THE LTD PLAN

In 2016, we were pleased to announce improvements to LTD monthly payments and extended health and dental coverage.

Due to the continued financial strength of the LTD plan, effective July 2016, the board of trustees approved an increase of \$500 to the gross monthly LTD benefit*. The maximum gross benefit is now \$2,300.

In September 2016, improvements were also made to the extended health and dental benefits administered by Pacific Blue Cross. These improvements include:

- **Enhanced vision care:**
Vision care coverage increased to \$400/24 months, from \$250, and now also includes eye exams and laser eye surgery.
- **Improved dental coverage:**
The lifetime orthodontic limit increased to \$4,000, from \$3,000. White composite fillings are now also covered for all teeth.

- **Pay direct drug card:**

Your PBC ID card now doubles as a pay direct drug card. Simply show your pharmacist your Pacific Blue Cross ID card, and they will send an electronic claim to Pacific Blue Cross on your behalf. 80% of your claim will automatically be reimbursed at the time of purchase (up to plan maximums), and you will only need to pay the uncovered portion.

MEETING OUR CHALLENGES

While the plan continues to improve, it is not without its challenges. To help keep drug costs under control, provisions were added for lowest-cost alternative pricing, along with prescription markup and dispensing fee caps.

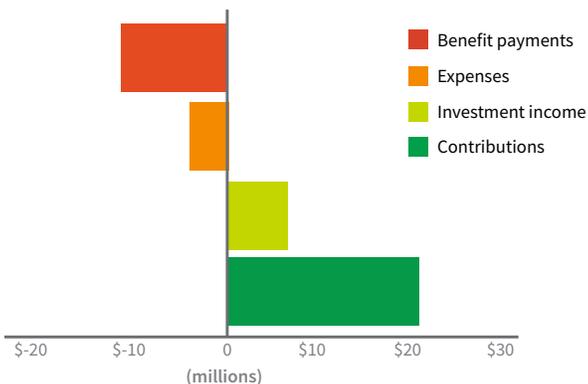
**Note: Your pre-tax benefit depends on any existing offsets you may have. For example, if you receive CPP disability benefits or WCB pension, your benefit from the LTD plan will be reduced (offset) accordingly.*

LTD PLAN – FINANCIAL UPDATE

As a self-funded plan, the LTD plan relies primarily on contributions to fund disability and ancillary benefits and rehabilitation services. To a lesser extent, investment income and expenses also affect the health of the plan.

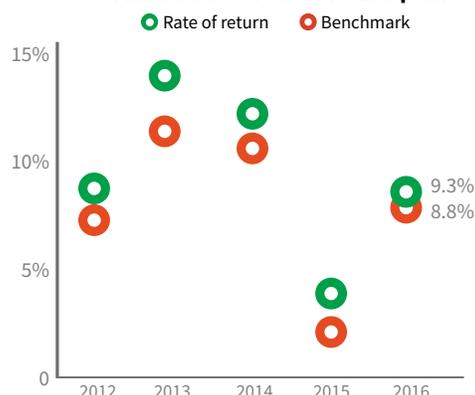
Financially, 2016 was a successful year for the LTD plan. Net assets continued to strengthen due to steady contribution income and strong investment performance.

2016 revenue and expenses – LTD plan



*Detailed financials will be available in plan annual reports.

Annual rate of return – LTD plan



2016 MEMBERSHIP STATISTICS

Contributing members	11,035
Members receiving a benefit.....	637
Total contributory hours.....	17,774,117
Average contributory hours per member (annual)	1,612
Average monthly LTD benefit.....	\$1,218.00

Annual rate of return – pension plan



2016 MEMBERSHIP STATISTICS

Active members.....	14,991
Retired members receiving a benefit	26,048
Total contributory hours.....	21,798,413
Average contributory hours per member (annual)	1,533
Average monthly pension benefit	\$700.27

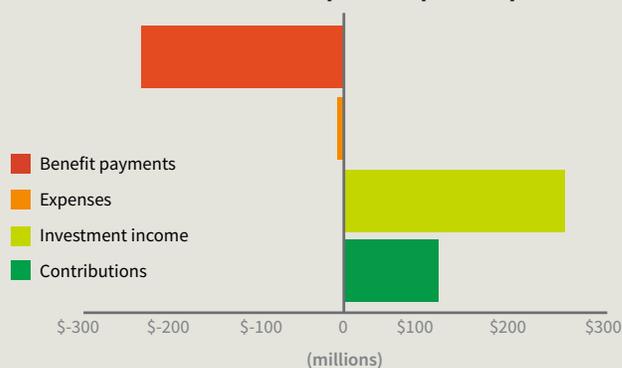
PENSION PLAN – FINANCIAL UPDATE

The financial standing of the pension plan continued to improve in 2016. Net assets available for benefits grew by over \$131.4 million, or 3.7% percent, to a total of \$3.66 billion. The plan achieved a 7% rate of return on its investments.

PLAN FUNDING

As of December 31, 2016, the pension plan is estimated to be fully funded (100%) on a going concern basis. The going concern valuation measures the funding of the plan on a long-term basis, assuming the plan will continue indefinitely into the future.

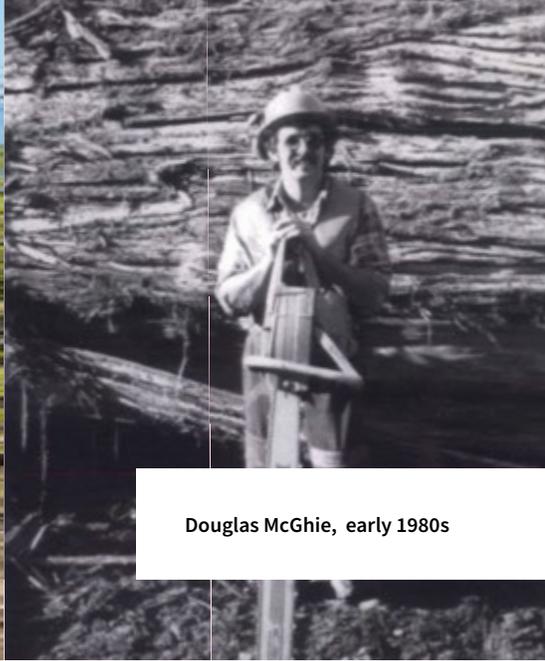
2016 revenue and expenses – pension plan





ANNUAL REPORTS

Annual reports for both plans will be available online at iwafibp.ca/booklets-&-annual-reports this summer.



Douglas McGhie, early 1980s

FOR PENSION PLAN MEMBERS

MEET A MEMBER — DOUGLAS MCGHIE

Douglas McGhie joined the IWA–Forest Industry Pension Plan when he was just 21 years old. He is now looking forward to retiring this spring. We caught up with Doug and asked him a few questions:

Q. How long have you been a member of the plan?

A. *I began logging in northern Vancouver Island in 1973 and have been a member ever since.*

Q. What was your favourite part about working in the industry?

A. *The people that I had the opportunity to meet. Incredibly hard-working, honest and friendly men and women. And as a bonus—the beautiful nature of the BC coast. Many people pay lots of money to experience our beautiful backyard, but I got to live in it every day at work.*

Q. What are you most looking forward to in retirement?

A. *Travelling! First stops? Newfoundland and the British Isles.*

Q. How has the pension plan helped you prepare for retirement?

A. *It's always been in the back of my mind that I'll have my pension to fall back on, in addition to the CPP. It's very comforting and I'm looking forward to my retirement.*

Share your story — we'd love to hear from you! If you have a story or photo that you would like to share, please contact the Plan Office at communications@iwafibp.ca or 604-454-5459.

We wish Doug all the best in retirement. Congratulations!

HOW TO CONTACT US

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