

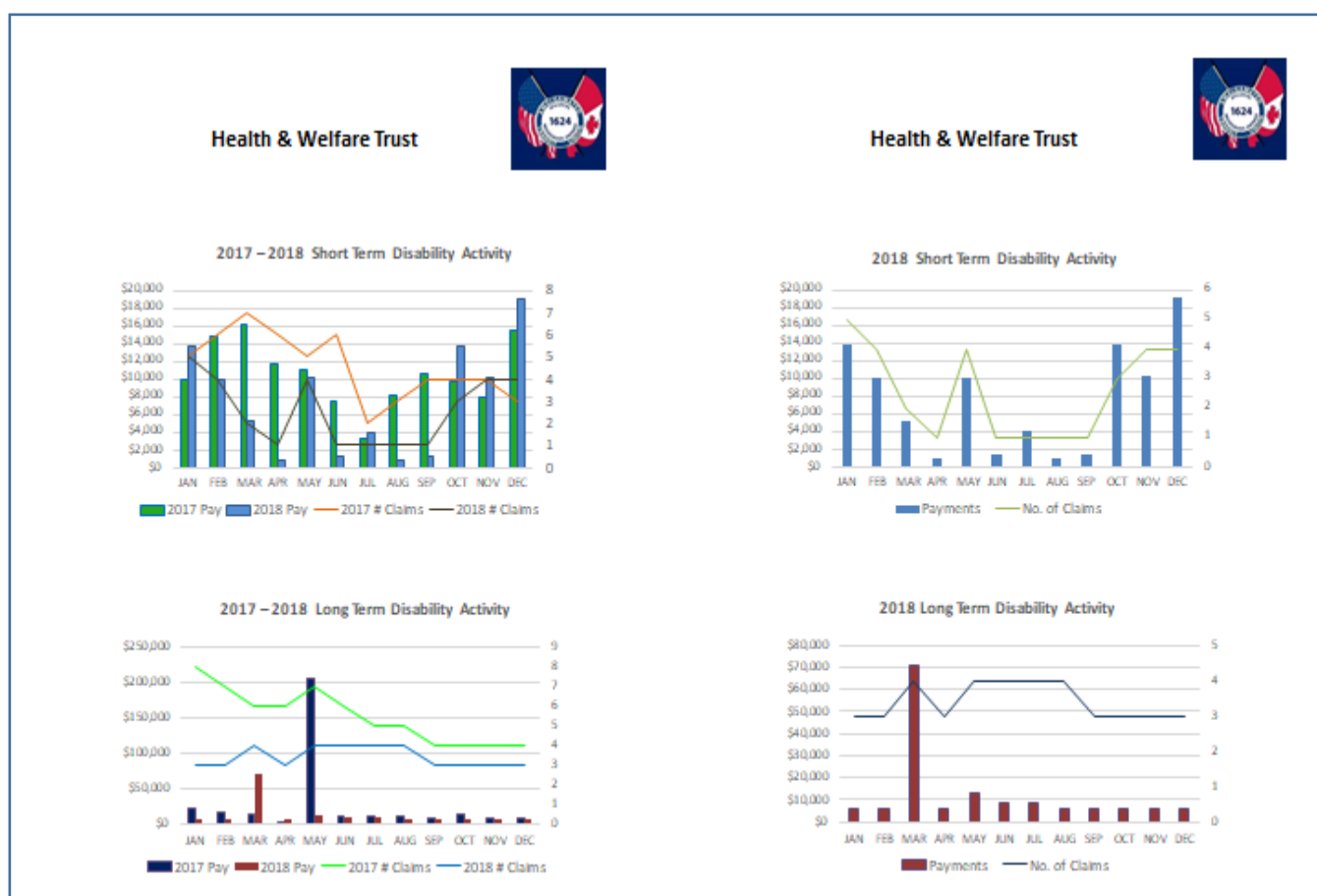
ATU 1624 Health & Welfare Short Term – Long Term Disability Plan 2018 Update

Summer 2019

The Short Term – Long Term disability plan assisted a significant number of members during 2018. Thirty-one members claimed Short Term benefits totalling \$90,379 during the year while 41 members were on Long Term disability with benefits totalling \$144,993 between January and December 2018. Some of those Long Term claims were for a few weeks while other members have been on the benefit all year due to the severity of their illness or injury.

During the past two years, Short Term disability total claims paid remained fairly constant while there was an decrease in the amount of claims paid for Long Term disability between 2017 & 2018.

The graphs below indicate the activity during 2018 and a comparison between 2017 - 2018.



As some of you may recall, due to the financial experience of the Plan in 2015 a ‘carve-out’ period was implemented in January 2016 (the elimination period for Long Term Disability was extended from 17 weeks to 32 weeks). Plan design changes were implemented that would be sustainable for the long term and keeping in mind the impact to the disabled members to ensure that the Plan remains viable and competitive.

In addition, due to the Plan’s financial experience in 2017, your contribution premium rate was increased from 3.34% to 3.43% effective January 1, 2018.

In conversations with members who have utilized the benefit of the plans, they have indicated that they are happy that there was an income stream in place while they were away from work. They were also relieved in knowing that they are getting paid 55% of their weekly gross income every week. The member’s weekly income is based on the average of their actual gross income over the previous 52 weeks and once qualified to receive benefits then the plan pays out 55% (non-taxable which would be close to 85% of your take-home pay) of their gross weekly income. There is a separate calculation for members with less than one year service with the company. Our members begin receiving Short Term disability weekly payments beginning on the seventh day of absence through the next seventeen weeks. If the member is off work for more than seventeen weeks, that member would then apply for Employment Insurance Sick Benefits (EI) and would be covered for fifteen week of EI Sick benefits. If the member continues to be off work for more than thirty-two (seventeen weeks of Short Term Disability benefits and fifteen weeks of EI Sick benefits) he would then apply and could be covered through the Long Term portion of the disability plan.

In all cases, members of the plan are required to apply for Short Term disability within 30 days of the first day of absence. In addition, the member must also apply for Short Term disability if he/she is applying for WSIB in that the Short Term plan may provide bridge benefits while you await WSIB’s decision and in some cases may continue after WSIB benefit ceases. In all cases, members that are covered by the plan, regardless of their

situation, must apply for benefits within 30 days of their injury or initial sick day if they expect to be away from work more than six days.

Remember, the STD/LTD plan covers members 24/7 year round whether on the job, at home or away on vacation.

Please note that this disability plan coverage and benefits will terminate at age 65. A month prior to your 65th birthday you must notify our Plan Administrator; Canadian Benefits Consulting Group to ensure that your premium deductions are ceased.

The Board of Trustees of this plan recognize that cost has an impact on our members, and to that end the Board is confirming to the members that there will be **no increase** in the cost of the STD/LTD disability plan during 2019.

The members of the Board of Trustees are working with the Plan Administrator (Canadian Benefits Consulting Group) to ensure that we protect the interests of the ATU 1624 plan members in terms of negotiating the best rate possible for the coverage, supporting our members and working on their behalf when they have questions or issues related to the plan benefits, and financial responsibility. Each year the Board of Trustees, along with the Plan Administrator evaluate cost options based on discussions or proposals with other insurers. Decisions are made based on fact not "what ifs" in terms of benefit costs and plan integrity.

In order to fully understand the Short Term and Long Term Disability Plan details, we have prepared and attached a Brochure highlighting the coverage and process along with Frequently Asked Questions.

PLEASE READ THE ENCLOSED INFORMATION PACKAGE and should you have any questions regarding the plan, i.e. applying for STD/LTD benefits or more details on the plan coverage, please contact either Lynn Cross or Elena Xilias at Canadian Benefits Consulting Group at 416-488-7755. General questions can be directed to any member of the Board of Trustees.

Regards

William Simpson, Chairperson
ATU 1624 Health & Welfare Trust