



IATSE Local 873 Health & Welfare Trust 2021 Annual Report

A Decade of Growth

Welcome to your 2021 Annual Report. This bulletin provides the facts and figures relating to your benefits, as well as the IATSE 873 Health & Welfare Trust's overall financial health – and the value you receive by being a plan member.

2021 marked a decade since the Trust was established to run the Local 873 benefits plan. Not only has it been highly successful over this time, we've enjoyed ten years of continuous benefits improvements (more information about these enhancements can be found on page two).

We constantly look for ways to improve your benefits plan. As our membership expands and the healthcare industry progresses, the needs of our plan members ultimately change. This means we must adapt in order to successfully accommodate you and your dependants – a goal we have accomplished over the last ten years.

2021 was a great year for the IATSE Local 873 Trust, with a strong investment return of 7.01% and steady membership growth. And due to the uptick in work following the shutdown caused by COVID-19 in 2020, the plan also benefited from extra employer contributions – leading to a significant increase in overall assets.

Our plan membership has grown significantly over the past decade, too. From 2012 to 2021, the number of members participating in the health and dental plan rose from 1,096 to 4,269 members and 3,349 dependants, which is an increase of 390%.

Your IATSE Local 873 benefits plan provides you and your dependants with valuable protection. To make the most of it, however, you need to understand how it works. We encourage you to read this report, as well as the plan booklet, to learn more about your plan.

Sincerely,

Your Board of Trustees

Feeling anxious, sad or just not yourself?

The IATSE Local 873 Health and Welfare Trust partnered with LifeWorks to provide you with a Member Assistance Program (MAP), which includes AbilitiCBT: a cognitive behavioural therapy program. Whether you need help with stress, addiction, relationship issues, depression, anxiety, nutrition, weight loss, parenting or more, AbilitiCBT is here to help. (It's completely confidential and available 24 hours a day, seven days a week, every day of the year – in both English and French!)

How to access...

- 1 Call the Care Access Centre toll free at 1-866-289-6749
- 2 Visit login.lifeworks.com
username: canadalife
password: lifeworks
- 3 Download the 'LifeWorks' app
- 4 Chat instantly online with a counsellor!

For crisis situations requiring immediate attention, call 911, and then the Care Access Centre.

WHAT'S INSIDE

Continuous Improvements

We've come a long way since we first started! Here are some highlights of our progress...



2012: The one-year contribution rollover was set so members weren't forced to leave the health and dental plan due to a decline in work volume. An open enrollment process helped the Trust gain more than 200 new members. A catastrophic drug coverage plan was introduced, major restorative dental coverage was added, and coverage for generic drugs was increased to 90%.



2013: Short-term disability was extended from 15 to 30 weeks, coverage for generic drugs was increased to 100%, and contact lenses and laser eye surgery were added to the vision benefit. Orthodontics and specialty dentistry were added to dental. The plan maximum for certain paramedical services was increased to \$1,000, and coverage was added for preventative vaccines and smoking cessation drugs.



2014: The basic life insurance benefit was raised from \$50,000 to \$75,000, and critical illness insurance was increased from \$10,000 to \$20,000. A knee and hip replacement benefit was added. Additionally, the age limit for active members' health and dental plan was raised from age 70 to 75.



2015: The first retired members joined the new retiree health plan. And a new parental leave \$200 per week top-up was added to complement EI parental benefits



2016: The critical illness termination age was extended from age 70 to 75 with a \$10,000 policy. New union members received an introductory \$200 health spending account in their first year.



2017: Increased search functionality added to the Health Plan website.



2018/2019: The Depression Care program and Addiction / Recovery Helpline was added to the health plan, the annual maximum for clinical psychologist services was increased to \$3,000 and psychotherapy was added as a covered service. Moreover, continuous and flash glucose monitors were also included, as well as the introduction of medical cannabis.



2020: Due to the COVID-19 pandemic, the Trustees worked with Canada Life to establish a two-week quarantine benefit for members. In addition to waiving the 20% co-pay on certain health and dental benefits, the Trustees also waived the final quarterly top-up payment for members who were short employer contributions or stopped working. Finally, the 2019/2020 employer contribution year was prorated by 20%.

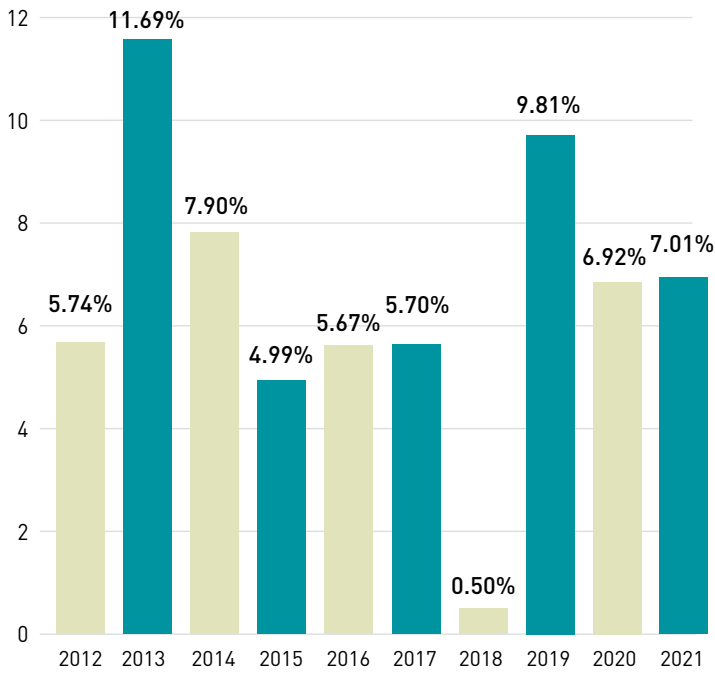


2021: For all members in good standing, Life insurance and Accidental Death and Dismemberment insurance increased to \$100,000 for active members under age 70 and \$50,000 for those retired or between the ages of 70-75. Critical Illness insurance increased to \$30,000 and \$6,000 for a full hip or knee replacement for active members under age 70. For those aged 70-75, Critical Illness insurance increased to \$15,000 and \$3,000 for the full hip or knee replacement. Lastly, the cost of the Retired Members Health Plan was reduced by 26% as of September 1, 2021.

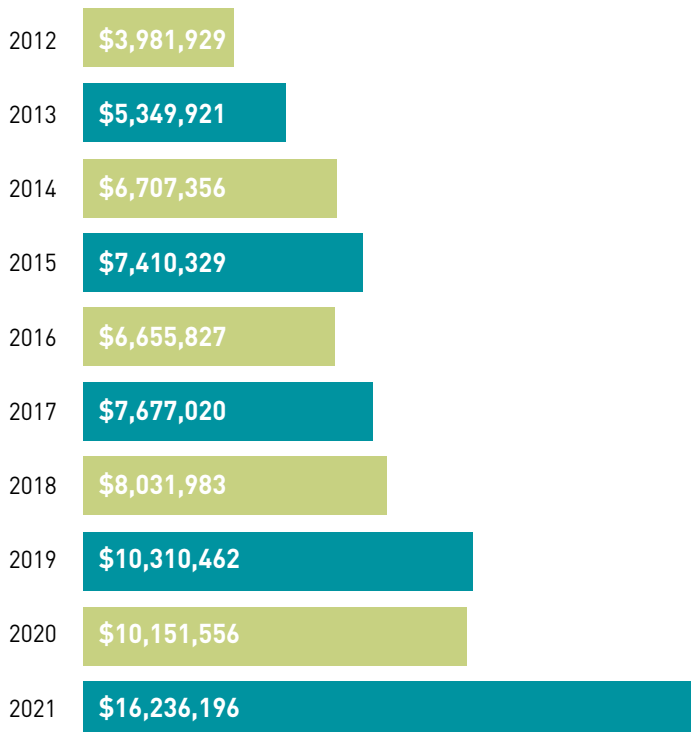
For all Working Members in the Hour Bank, the health spending account was increased to \$750 for members with 1680 paid hours between July 2020 and June 2021. Total hours were grossed up 25% to cover months without work. In addition, basic dental coverage and major medical (paramedical) coverage both increased to 90%, and the vision benefit, which now includes dependants, increased to \$650 per member and/or dependant every 24 months.

10 Years at a Glance

Annual Returns



Benefit Costs



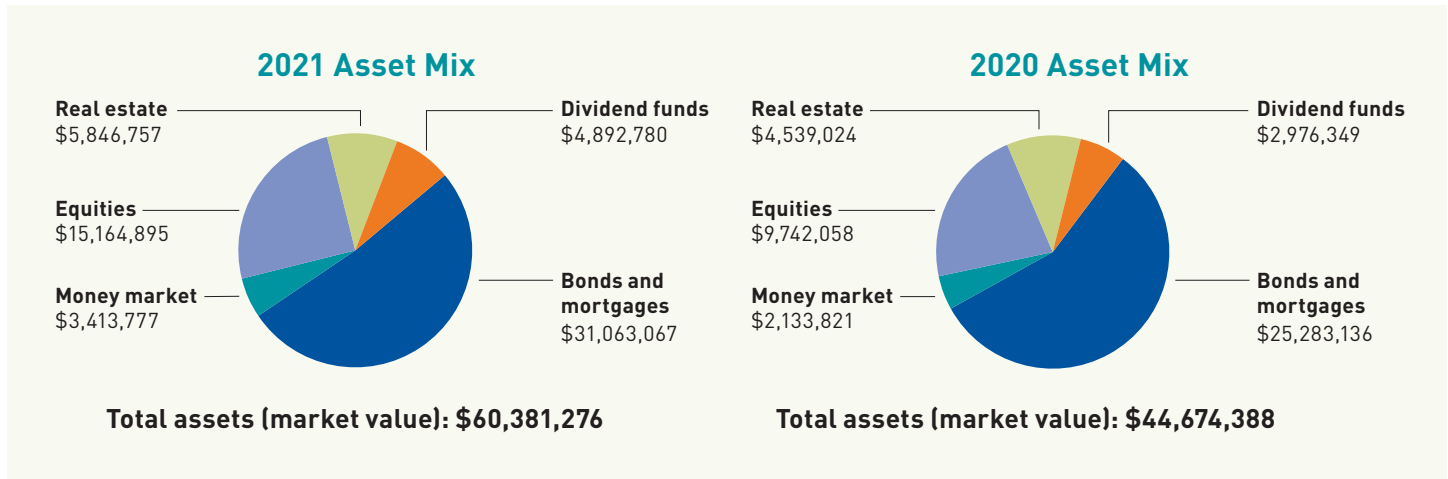
Membership Growth

| | | |
|-------------|------------------------------|-------|
| 2012 | Union membership: | 2,089 |
| | Health / dental plan members | 1,096 |
| 2013 | Union membership: | 2,285 |
| | Health / dental plan members | 1,337 |
| 2014 | Union membership: | 2,351 |
| | Health / dental plan members | 1,536 |
| 2015 | Union membership: | 2,411 |
| | Health / dental plan members | 1,663 |
| 2016 | Union membership: | 2,487 |
| | Health / dental plan members | 1,761 |
| 2017 | Union membership: | 2,857 |
| | Health / dental plan members | 2,024 |
| 2018 | Union membership: | 3,211 |
| | Health / dental plan members | 2,349 |
| | Dependants: | 1,185 |
| 2019 | Union membership: | 3,501 |
| | Health / dental plan members | 2,699 |
| | Dependants: | 1,327 |
| 2020 | Union membership: | 4,060 |
| | Health / dental plan members | 3,786 |
| | Dependants: | 2,833 |
| 2021 | Union membership: | 4,911 |
| | Health / dental plan members | 4,269 |
| | Dependants: | 3,349 |

2021: A Year in Review

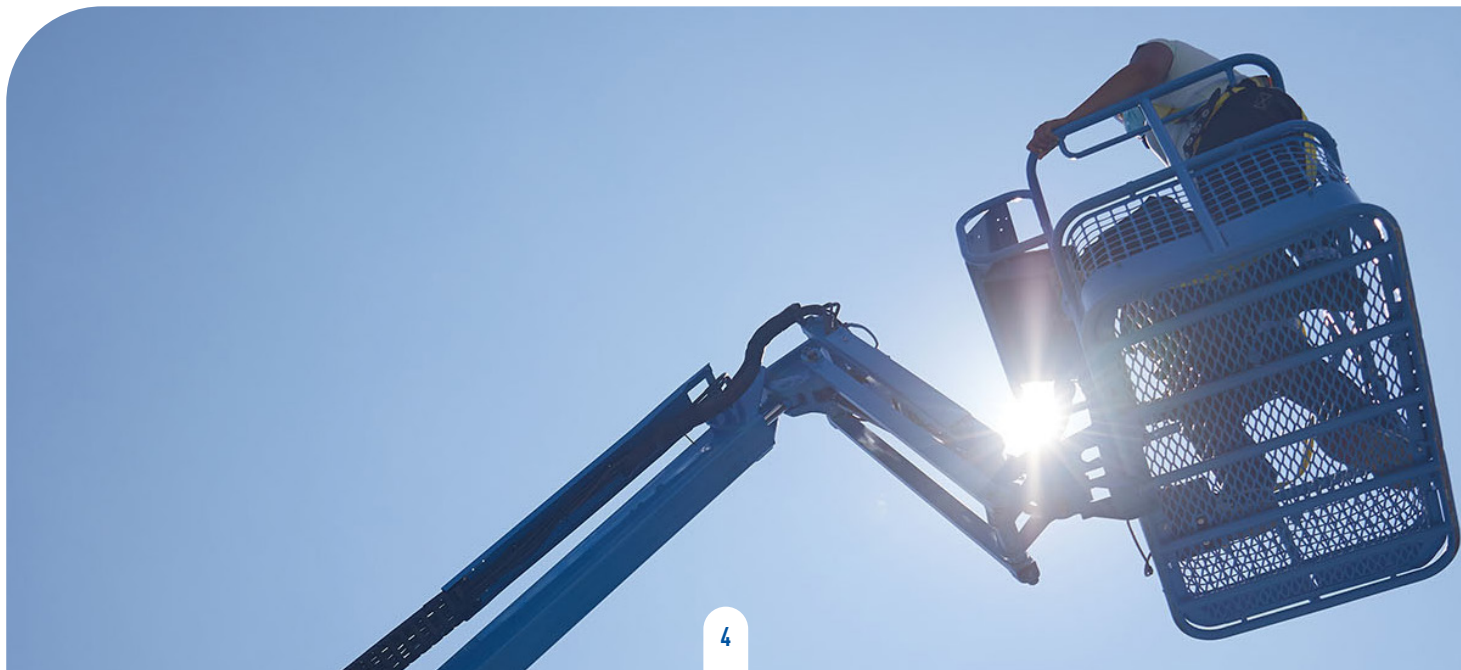
Looking back at 2021, our benefits plan ended the year in good health, earning a return of 7.01% as of December 31, 2021. It also held approximately \$60.3 million in assets, which far exceeds 2020's total. Our three- and five-year average returns surpassed targets, too – at 7.91% and 5.94% respectively. In fact, these numbers are higher than the three- and five-year average returns reported at the end of 2020.

The plan's funds are invested in a mix of assets to ensure we're maintaining a well-diversified portfolio. This helps us meet both our existing benefits obligations and maintain reserves in the event of difficult times. Here's how the funds are invested:



As always, the Trustees continue to make plan governance a top priority by:

- Meeting on a regular basis to oversee plan operations;
- Ensuring the plan's investment managers are fulfilling their mandates, matching performance expectations and following the guidelines set out in the Trust's *Statement of Investment Policies and Procedures (SIPP)*; and
- Staying in the know about current industry standards and taking advantage of educational opportunities that can improve our governance, as outlined in our education policy.



Financial highlights

Investment returns

Annualized rate of return as of December 31, 2021

7.01%

3-year return

7.91%

5-year return

5.94%

Change in membership

Union members



2021
4,911



2020
4,060

Health plan members



2021
4,269



2020
3,786

Dependants



2021
3,349



2020
2,833



Benefits paid on members' behalves

| | 2021 | 2020 |
|---------------------------|---------------------|---------------------|
| Prescription drug claims | \$3,854,461 | \$3,668,411 |
| Dental health claims | \$4,512,658 | \$2,912,302 |
| Other health claims | \$2,068,864 | \$1,600,069 |
| Health spending account | \$961,640 | \$783,846 |
| Short term disability | \$1,064,439 | \$707,037 |
| Vision care benefits | \$370,201 | \$118,356 |
| Member assistance program | \$150,544 | \$133,049 |
| Maternity benefits | \$116,886 | \$114,475 |
| Addiction care | \$198,681 | \$102,958 |
| Total | \$13,298,374 | \$10,151,556 |

Group insurance premiums

| | 2021 | 2020 |
|------------------------------------|--------------------|--------------------|
| Life insurance | \$1,599,862 | \$1,212,121 |
| Critical illness | \$855,121 | \$564,370 |
| Accidental death and dismemberment | \$117,222 | \$76,000 |
| Health pooling insurance | \$365,617 | \$11,053 |
| Total | \$2,937,822 | \$1,863,544 |

The Current Marketplace

2022 has undoubtedly come with its own set of challenges. The world continues to battle COVID-19, we're seeing the highest levels of inflation since the early 90s – and sadly, we bear witness to the heartbreak and repercussions posed by the geopolitical conflict in Ukraine and other countries. Although financial markets have experienced declines as a result, it's worth noting that equity markets have historically demonstrated long-term resiliency in the face of geopolitical struggles.

Despite uncertainties across the globe, our plan remained stable and ended 2021 in a very positive position, earning the previously mentioned investment return of 7.01%, which is higher than what's needed to keep it in good financial standing. The plan also held more than \$17,306,200 million in assets at the end of 2021, up from \$9,584,459 million at the beginning of the year.

The IATSE Local 873 Trust is designed to withstand financial market ebbs and flows. Overall, the past results for our annual returns have exceeded our 10-year target benchmark. The sustainable, risk-focused investment strategy we've implemented has helped to deliver strong returns, reduce volatility, and is expected to do the same moving forward.

Understanding the Hour-bank's Self-Pay Option

Members who work regularly are covered by an hour bank system. To enroll for health and dental benefits you must first accumulate 280 hours of paid time (worked hours + overtime premiums).

Paid hours reported by employers will be deposited monthly in your hour bank. A monthly withdrawal of 140 hours will keep you in coverage. You can accumulate up to 1680 hours, a year's full coverage, in your hour bank. If you continue working, your hours are added to your bank each month, and the required 140 hours per month are withdrawn from your bank.

If you are not working, your hour bank will have 140 hours withdrawn monthly until your bank has run out. As your bank gets low you will be notified by J&D Benefits which will allow you to decide to work or purchase self-pay hours, or "top up" as it has been known. A member may self-pay for up to 12 consecutive months at \$1.80/hour + RST (\$1.95/hour). When 40 or more employer hours are remitted on your behalf, your self-pay count is reset to zero, meaning you can continue to self-pay for 12 months.

About the Trust

As with other large multi-employer plans, Local 873 set up a Trust to run its benefits plan – and because this is a separate legal entity, it operates at arm's length from the Union.

The Trust is governed by an elected, five-member Board of Trustees who are responsible for overseeing all plan operations, including the investment of plan assets. The Trustees have a legal obligation to act in the best interest of all plan members; they also engage various experts to ensure the plan is properly managed – including an auditor, lawyer, benefits consultant, investment manager, actuary and third-party administrator.

The present Board was chosen in December 2019. Three at-large Trustees – David Charles, Sheila Pruden and Joe Fraser – were elected to six-year terms. The Local 873 President (Angela Mastronardi) and Treasurer (Alex Kavanagh) serve as Trustees by their elected office.

| Trustees | Board advisors | Third-party administrator |
|-------------------------------------|---|---------------------------|
| Angela Mastronardi (President) | Auditor – MNP LLP | J&D Benefits Inc. |
| Alex Kavanagh (Treasurer) | Legal – Koskie Minsky LLP | |
| Joe Fraser (Chair) | Benefits Consultant – Human Capital Benefits | |
| Sheila Pruden (Vice-Chair) | Actuary – Eckler Ltd. | |
| David Charles (Trustee-at-Large) | Investment Manager – GLC Asset Management | |



If you need more information...

Want more details on your benefits or how the plan works? Check out the Health & Welfare Trust website at www.873healthplan.com. Or refer to the detailed benefits booklet prepared by Canada Life and CHUBB, which are available on the website, too.

About this report

This annual report is intended to inform the members of the IATSE Local 873 Health & Welfare Trust about certain aspects of their benefits plan. Complete descriptions of the plan can be found in the official plan documents. Care has been taken to provide an accurate summary of plan features and the financial status of the Trust. If there are any discrepancies between the information contained in this report and legal documents, the legal documents take precedence. While it is our intention to continue the plan indefinitely, the Board of Trustees, in their fiduciary capacity as "overseers," reserves the right to change, amend or terminate the plan at any time, should unforeseen work stoppages, financial, legislative or other such changes necessitate this action.