

# EDMONTON PIPE INDUSTRY

## HEALTH, WELFARE & PENSION TRUST FUNDS

16214 - 118 AVENUE, EDMONTON, ALBERTA T5V 1M6  
Tel: (780) 452-1331 • Fax: (780) 487-4063 • E-MAIL: epind@telusplanet.net

**January 2006**

### **Announcement to the Plan Members of The Edmonton Pipe Industry Pension Plan and The Edmonton Pipe Industry Health and Welfare Plan**

#### **Regarding: New Plan Rules affecting Retired Plan Members**

Dear Plan Members:

Some Members have requested that Retired Plan Members be given the opportunity to make their own decisions about how contributions made on behalf of Retired Plan Members are handled by the Pension Plan. The Trustees have been informed that Retired Plan Members may prefer the option to suspend the Pension being paid from the Pension Plan so that they may earn a higher Pension commencing when the Retired Plan Member discontinues employment. Many Plan Members and Retired Plan Members, on the other hand, have indicated that they are satisfied with the current system wherein Pensions are not suspended when Retired Plan Members return to work. In the present system contributions paid into the Plan on behalf of Retired Plan Members are deposited to the Pension Trust Fund and are not used to directly increase the Pension of the Retired Plan Member.

It is critical that all Plan Members understand that the Board of Trustees has the ultimate responsibility to ensure that the Pension Plan is always adequately funded and that it is always compliant with all federal and provincial regulations. Within that framework, the Trustees have the authority to make amendments to the Pension Plan. Changes may be made in order to address the changing demographics of the Pension Plan's membership, to address the Pension Plan's funding and to address changes required by regulation.

The Trustees have reviewed the Pension Plan's rules regarding the treatment of contributions received on behalf of Retired Plan Members who return to work with contributing employers. We have considered the implications for changing the Pension Plan's Rules weighing the costs and benefits of changes.

**As a result of the lengthy review undertaken by the Board of Trustees, we are announcing an amendment to the Pension Plan which will take effect April 1, 2006.**

Effective with the work month of April 2006, Retired Plan Members will be given the opportunity to make an election which will inform the Trustees of the method to be applied to Pension Plan contributions that may be remitted on behalf of the Retired Plan Member.

Retired Plan Members will find an Option Election Form attached to this letter. The Option Election Form will direct the treatment of Pension Plan contributions for the work months of

April 2006 to September 2007 inclusive. This Form advises the plan administration which of two Options has been chosen by the Retired Plan Member. These are the Options:

**Option A** The Retired Plan Member wishes to continue receiving his Pension in the event he returns to work during the months of April 2006 to September 2007. THIS IS THE DEFAULT OPTION.

**Explanation:** Option A is the present rule followed by the Pension Plan. Retired Plan Members who return to work will have contributions remitted to the Pension Plan pursuant to the terms of the Collective Agreement. The Retired Plan Member will continue to receive his Pension. The contributions received on his behalf are deposited to the Pension Trust Fund and are not used to increase the Retired Plan Member's Pension. Option A is the Default Option and it will be applied if the Plan administrator either has not received a reply from the Retired Plan Member or if the Retired Plan Member chose Option B but did not inform the Plan administrator, in advance, that he was returning to work.

**Or**

**Option B** The Retired Plan Member wishes to have all Pension Plan contributions received in respect of the work months of April 2006 to September 2007 used to increase his Pension.

**Explanation:** If this Option is chosen the Retired Plan Member is required to advise the Plan administrator, in writing, that he is returning to work in order for the Option Election to take effect. The Retired Plan Member's Pension would be suspended upon his return to work. The Retired Plan Member's Pension would be recalculated and restarted when the Retired Plan Member stopped working. If written notification that the Retired Plan Member is returning to work is not received before the Retired Plan Member returns to work, the Option Election will have no effect - the Pension would continue to be paid and there would be no new pension accrual on account of new contributions received by the Pension Plan. Retired Plan Members electing this Option will need to complete the "Request to Suspend Pension" form so that there is clear written communication to the Plan administrator about the Retired Plan Member's return to work. This form will be available at the Union Office and the Plan administration office. It can also be faxed upon request and a faxed version is acceptable notification to the Plan administration office.

All Retired Plan Members are being given the opportunity to complete an Option Election Form. The Retired Member's Option Election will be applied to all Pension Plan contributions received in respect of the work months of April 2006 to September 2007 inclusive. Starting with the work month of October 2007, all Retired Plan Members will be given an annual opportunity to make an election. New retirees will be given the opportunity to make this Option Election at the time they retire and the effective period for the election will commence April 2006 and end on September 30, 2007.

There will be no opportunity to change the election during the term set out by the Option Election Form. For example, once the Plan Member has chosen his Option, including a Default Option, for the period April 2006 to September 2007, it cannot be changed. Plan Members and Retired Plan Members are being informed long in advance so that they can consider their choices carefully and make their election after given the matter their careful consideration.

We hope that this new element of choice is appreciated by all Plan Members.

**What does this mean for Retired Member Health and Welfare Plan Benefits?**

The Health and Welfare Plan offers extended health and life insurance Benefits to Retired Plan Members. When a Retired Plan Member returns to employment, contributions to the Health and Welfare Plan are due on the terms set out in the Collective Agreement. If a Retired Plan Member receives sufficient contributions to reinstate his eligibility for Active Member Health and Welfare Benefits this is permitted subject to the following rules:

- a) A Retired Member must build up 130 hours in his Hour Bank before being enrolled in the Active Member Health and Welfare Plan;
- b) A Retired Member will not be eligible for any disability benefits whatsoever;
- c) The Retired Member will revert to Retired Member Health and Welfare coverage, at the payment rate of \$40.00 per month, if qualified, once his Hour Bank no longer contains sufficient hours to maintain the provided Active Member Health and Welfare benefits;
- d) Active Member Health and Welfare Self Payment privileges are not extended to Retired Members.

Sincerely,

The Board of Trustees

W.D. Grace  
H. Blakely  
R. Kinsey  
L. Matychuk  
B. Smith

N. Frederiksen  
G. Knight  
G. Panas  
C. Williams