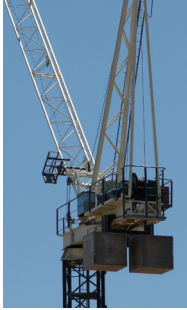


2013 Annual Benefits Report

TAKING CARE OF OUR OWN



IUOE LOCAL 793 PENSION AND BENEFITS PLANS

GETTING FULL MILEAGE FROM OUR BENEFITS PLAN

With new employers joining our local, and plenty of work all around, our total man hours reached new highs in 2013 – and that translated into more contributions coming into the life and health benefits plan.

Our plan remains financially healthy – and, as a result, the Trustees were able to make several benefit improvements. Here are just a few of the plan improvements that came into effect on or before January 1, 2014:

- Increases to certain benefit limits,
- Prescription sunglasses coverage,
- Update to the 2013 dental fee guide.

In addition, you now have access to a member assistance program (MAP) through Great-West Life and Shepell • fgi. The MAP is a confidential and voluntary support service that can help you find solutions to all kinds of challenges at any age and stage of life. See inside for details on the MAP.

For a full listing of benefit improvements, go to the news section of our website, www.iuoeocal793.org.

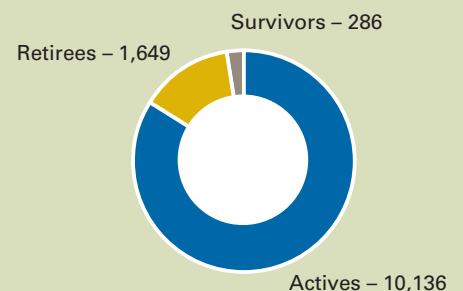
As long as the plan continues to remain in good financial shape, the Trustees will continue to look for ways to improve your coverage, and help you get the most mileage from the plan. Please take a few minutes to review this annual report – and remember that the benefits staff at the Union Office and Global Benefits are there to help.

Sincerely,
Your Board of Trustees

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MEMBERSHIP



FINANCIAL HIGHLIGHTS

An update on funding and costs

The benefits plan has a long history of a very strong financial position, and this remains the case today. Thanks to our growing membership and high work levels, plan contributions continued to go up in 2013. Investment income also added to the positive year-end results. By the end of 2013, the benefits fund pulled in close to \$55 million in contributions and investment income, and paid nearly \$49 million in benefit claims and plan expenses.

Contributions to the plan are deposited in a trust fund for the benefit of all plan members. This fund is invested by Ridgewood Capital Asset Management, based on investment guidelines established by the Trustees. Contributions and investment income, in turn, are used to pay claims for our self-insured health, dental and accident benefits, life insurance premiums, and operating costs. The plan also keeps a reserve that acts as a financial cushion during periods of lower-than-expected contributions and/or higher-than-expected claims.

Benefit costs

Unlike the pension plan, the benefits plan is not required to build up a large fund to cover future payments. This means that a poor investment year has much less impact on the benefits plan than on the pension plan. In fact, the financial health of the benefits plan is tied much more closely to claims patterns and cost controls than investment returns.

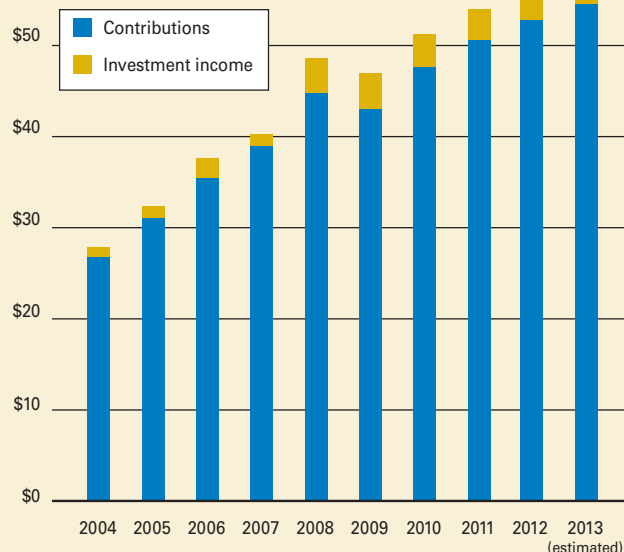
The cost of providing benefit coverage to our members increased by about 6.7% in 2013. As a percentage of overall costs, the two largest expenses – prescription drugs and dental claims – were down slightly from the previous year. However, when combined, these two benefits still accounted for more than 57% (nearly \$28 million) of all benefit costs for the year.

You can help us control some of these costs by being a smart benefits consumer. Here are some helpful hints:

- Follow your doctor's orders – this includes taking your full prescription if that's what your doctor tells you to do, even if you start feeling better before you finish your meds.
- Buy a three-month supply of a drug you take regularly instead of filling the same prescription monthly. You'll be charged a single dispensing fee or a reduced flat rate instead of the full dispensing fee each month.
- Coordinate benefits – if you're also covered under your spouse's benefit plan, you may be able to claim some expenses from both plans and get 100% reimbursement between the two. See "Stake your claim" on the next page for more information.
- Be sure the receipts you get from your provider are complete and accurate, and properly reflect the services you received.

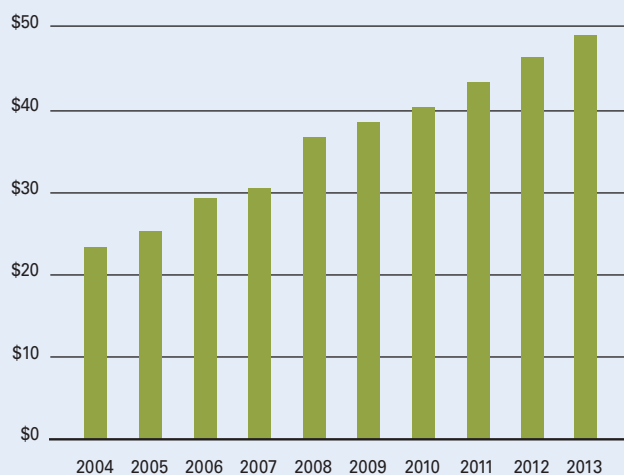
CONTRIBUTIONS AND INVESTMENT INCOME

(in million \$)

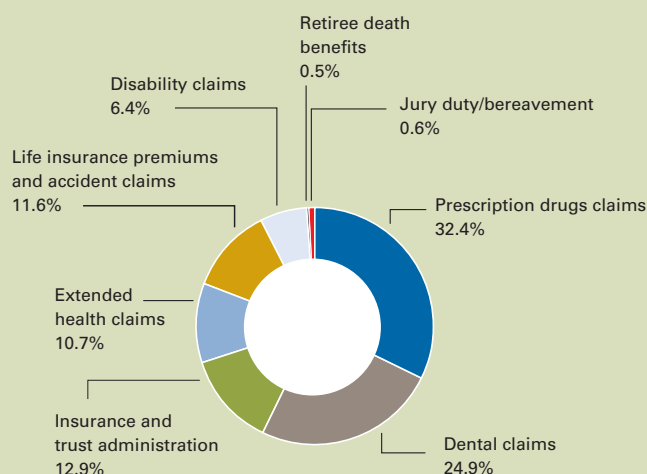


BENEFIT COSTS

Claims and plan expenses
(in million \$)



HOW WE SPEND OUR BENEFIT DOLLARS



STAKE YOUR CLAIM

Working together to keep our plan healthy

Our health, dental and accident plans are self-insured. In other words, these benefits are paid directly from contributions. There's no big insurance company picking up the tab – and there's a limited pool of money to pay for benefit claims. With that in mind, one of the best things you can do to help our plan is to coordinate claims when you have dual coverage.

If you are covered by your spouse's benefit plan (or any other plan), *tell us*. That way, we can ensure both plans pay their fair share. And when you submit expenses that aren't covered under our plan to another plan, both you and our plan come out ahead.

For example, if you need dental work that costs more than the amount allowed by the Local 793 plan, you may be able to submit a claim for the extra amount to your spouse's plan. Be sure to keep copies of all original receipts for submission to your spouse's plan.

Order of claiming

You must first submit claims for yourself through the Local 793 plan. Any unpaid personal claims can then be submitted through your spouse's plan. Your spouse must

submit personal claims through his or her plan first. If that plan doesn't cover the full cost of the service or procedure, you can claim the remaining expense through the Local 793 plan.

If you have children, claims for their treatment will also need to be coordinated between the Local 793 plan and your spouse's plan. Their claims should first be submitted to the plan of the spouse whose birthday comes earlier in the year. So, if you were born in January and your spouse was born in July, your children's claims will always be submitted to our plan first. Anything not covered by our plan, should then be submitted to your spouse's plan.

If you and your spouse are separated or divorced, you should make claims in the following order:

- the plan of the parent with custody of the child,
- the plan of the spouse of the parent with custody,
- the plan of the parent without custody,
- the plan of the spouse of the parent without custody.

Please review the Life and Health Benefits Plan booklet for more information.

Your combined repayment from all plans cannot be more than the actual amount that you and your spouse paid out of pocket.

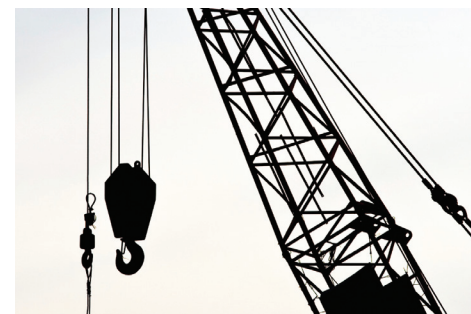
A BALANCING ACT

Member assistance program can help

Balancing your family, work, health and life in general can become overwhelming at times. That's where the member assistance program (MAP) comes in. MAP services are provided by Great-West Life and Shepell • fgi and are completely confidential.

What does your MAP include?

- **Short-term professional counselling** provides support for personal and emotional issues. Choose from a variety of delivery methods to best suit your comfort level and lifestyle including in-person, by phone, e-counselling, First Chat (instant online chat with a counsellor), video, or text-based.
- **Family support services** connect you with a Family Support Specialist for personalized assistance with family planning, parenting, childcare, eldercare, homecare support and more.
- **Legal support services** provide consultation with professional lawyers to answer legal questions around divorce, custody, adoption, real estate, debt, bankruptcy, landlord/tenant issues, and more.



... continued on the next page

- **Financial support services** provide consultation with financial professionals to answer questions about budgeting, debt management, tax issues, and more.
- **Naturopathic services** provide consultation with naturopathic doctors on choices related to physiology, diet, lifestyle and well-being, including illness-prevention strategies.
- **Nutritional services** offer consultation with registered dietitians on any nutritional matter or concern.
- **Health coaching** by registered nurses can provide information and advice, coordination and support, and coaching on any health risk or concern.
- **Fitness Coach Connects** is a personalized and interactive program designed to improve your physical health through education, behaviour and fitness.
- **Specialized counselling and online programs** to assist with career challenges, managing stress, smoking cessation, enhancing your relationships, separation and divorce, and financial planning.

There are three simple ways to access your MAP services — available 24/7/365

1. Call the Shepell • fgi Care Access Centre toll free at **1 800 387 4765**;
2. Visit workhealthlife.com, or shepellfgi.com; or
3. Download the “My EAP” app.

For **crisis situations** requiring immediate attention, call 911 or the Shepell • fgi Care Access Centre at **1 800 387 4765**.

We encourage you to use the MAP anytime you need it. To sign up, use Association name “Local 793” for full access to the MAP services and resources.

CORNER Q

Answers to some frequently asked questions

With so many benefit changes this year, members have been calling into the Union Office with lots of questions. Here are just a couple of the more popular ones:

Does the benefit plan cover regular sunglasses?

No, but the plan will pay up to a maximum of \$400 for prescription sunglasses.

Is the \$400 limit for prescription sunglasses separate from the limit on regular prescription eyeglasses?

No. The \$400 allowance is the overall limit for prescription eyeglasses and sunglasses.

YOUR BENEFITS PLAN TEAM

TRUSTEES

Union

Brian Alexander
Michael Gallagher
Ron Hillis
Joe Redshaw
Robert Turpin
Dave Turple

Management

Thomas Dool
Robert Dulepka
Ray Goodfellow
Ron Martin

ADMINISTRATOR/CONSULTANT

Global Benefits

INVESTMENT MANAGER

Ridgewood Capital Asset Management

AUDITOR

BDO Canada LLP

INSURANCE COMPANY (for life insurance)

Manulife Financial

A FINAL WORD

This report provides summary information about the IUOE Local 793 Life and Health Benefits Plan. The plan is administered by the IUOE Local 793 Board of Trustees, %o Global Benefits, 88 St. Regis Crescent South, Toronto, ON M3J 1Y8. Every effort has been made to provide accurate information, but if there is any discrepancy between the information contained here and the official plan reports and other documents, the official documents will apply.