



TAKING CARE OF OUR OWN IUOE LOCAL 793 PENSION AND BENEFITS PLANS

A PLAN CONSTRUCTED TO BENEFIT ALL MEMBERS

2016 was a good year for both our local and our benefits plan. Local 793 continues to grow, and currently stands as the largest IUOE local in Canada at about 14,500 members strong. People join our local for a host of important reasons, including training, education and work opportunities. But one of the biggest perks is coverage in the benefits plan.

We evaluate the plan on a regular basis to make sure it is financially healthy and continues to meet your needs. In 2016, we were able to make several improvements, including increased hearing aid coverage for active and retired members, and expanded paramedical coverage for retirees.

There's no big insurance company picking up the tab – and a limited pool of money to pay for benefit claims.

However, any coverage improvements need to be carefully considered with an eye toward cost management, so we can keep our plan in good shape over the long term. Keep in mind that our plan is paid for by the contributions your employers make for each hour that you work. Those contributions are collected in a trust fund and invested by a team of experts. After claims are approved, they are paid out of that trust fund. There's no big insurance company picking up the tab – and a limited pool of money to pay for benefit claims.

Our plan has enjoyed many years of steady contributions and investment income, and is in solid financial shape. We intend to keep managing the plan in your best interests.

Sincerely,
Your Board of Trustees



OUR MEMBERSHIP MIX

● 2015 ● 2016

ACTIVES



RETIREES



SURVIVING FAMILY MEMBERS



WHAT'S INSIDE

- Financial highlights – An update on plan funding
- Most prescribed drugs – Top 10 drug claims by cost
- Just the FAQs
- Your benefits plan team

FINANCIAL HIGHLIGHTS

An update on plan funding

With growing membership and solid work levels, plan contributions have increased steadily for many years. Ridgewood Capital Asset Management invests the plan's money according to investment guidelines developed by the Trustees, and the money in the trust is used to pay benefits. We also keep a financial cushion to use if contribution levels drop or claims increase unexpectedly.

In 2016, contributions and investment income brought about \$64 million into the plan. Benefit claims and plan expenses are estimated at \$62 million. The difference between these two figures gets added to the financial cushion, strengthening the plan's position.

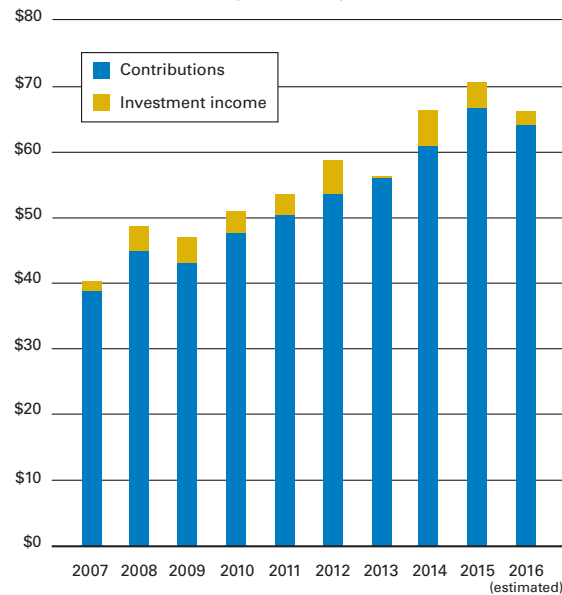
How the plan's money is spent

Plan costs increased by 5.6% in 2016 compared to the previous year. This is not entirely surprising, since the number of benefit claims tends to go up as plan membership increases – and our active membership grew by about 10% in 2016. The costs of things like prescription drugs and healthcare services also increase from year to year.

While we can't control healthcare costs, there are things you can do to help us keep the plan in good shape. Shop and compare, as many of the items and services covered by the plan differ in price from provider to provider. Also, make sure to complete treatments and take any prescribed medications as instructed. This will help you get well faster, and limit costs paid by the plan.

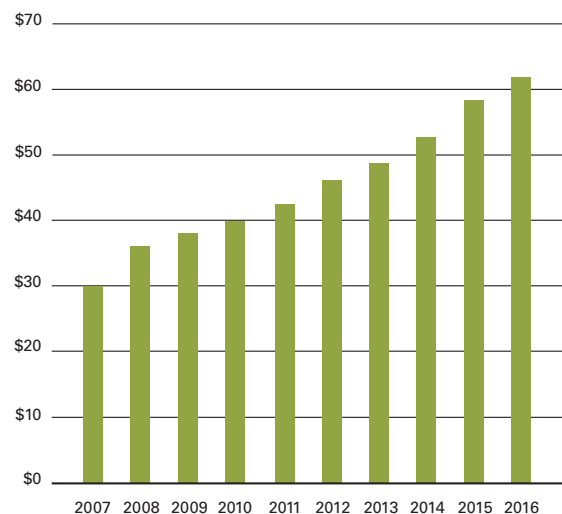
CONTRIBUTIONS AND INVESTMENT INCOME

(in million \$)



BENEFIT COSTS

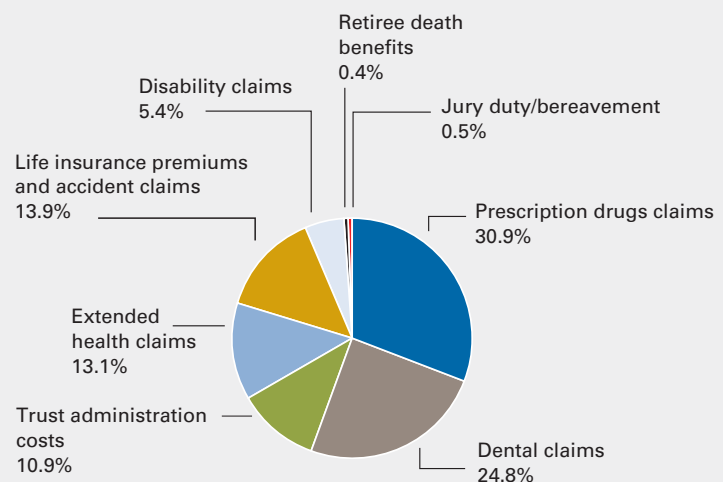
(in million \$)



All claims must be submitted within 18 months of the expense date or they won't be covered.

Medical and dental claim forms are posted in the benefits section at www.iuoelocal793.org. Send completed forms to the plan administrator at the address on the form.

HOW WE SPEND OUR BENEFIT DOLLARS



MOST PRESCRIBED DRUGS

Top 10 drug claims by cost

Drug coverage is an important benefit for many members. So it's easy to understand why prescription drugs continue to top the list of plan costs, as shown on page 2. The drugs listed in the table below represent 14% of all drug costs paid by the plan in 2016. Many of those listed are specialty drugs taken by our members to treat chronic conditions.

Drug	Amount reimbursed	For treatment of
Humira	\$377,926	Certain types of arthritis, Crohn's disease and psoriasis
Remicade	\$327,172	Certain types of arthritis, ulcerative colitis, Crohn's disease and psoriasis
Crestor	\$324,139	High cholesterol
Harvoni	\$306,001	Hepatitis C
Methadose	\$282,575	Pain relief and addiction to certain drugs
Coversyl	\$219,631	High blood pressure
Enbrel	\$208,547	Certain types of arthritis and psoriasis
Victoza	\$204,145	Type 2 diabetes
Advair	\$201,167	Asthma
Symbicort	\$185,914	Asthma and chronic lung disease

JUST THE FAQs

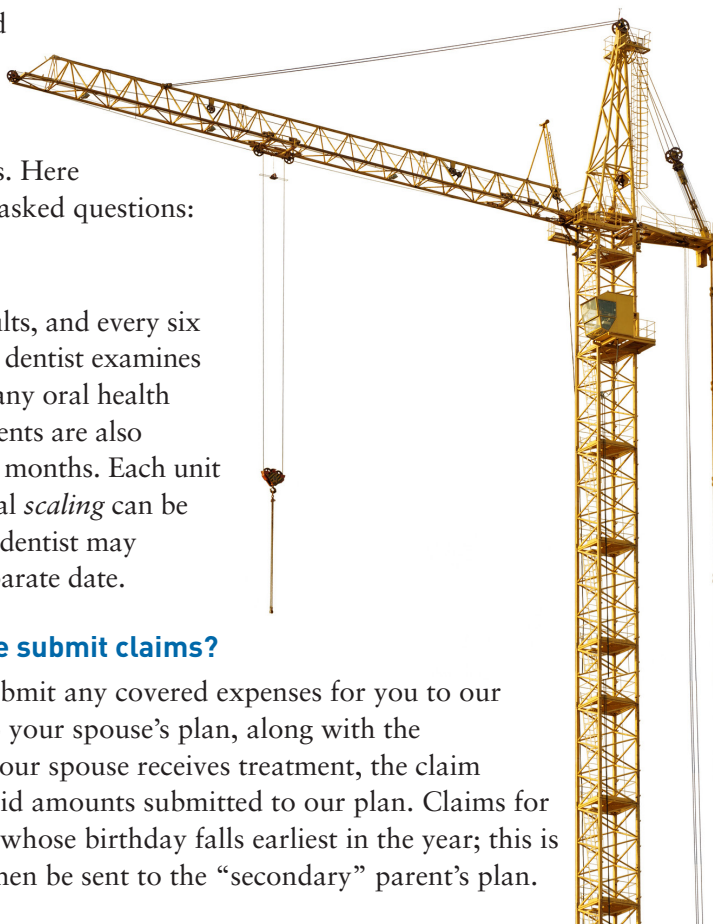
If you have questions about your plan, the friendly and knowledgeable benefits staff at the Union Office has answers. You can also consult your updated benefits plan booklet online at iuoelocal793.org for detailed information on your coverage and how to make claims. Here are answers to some of our members' most frequently asked questions:

How often can I go to the dentist?

The plan covers one *recall* visit every 12 months for adults, and every six months for children under age 21. During a recall, your dentist examines your mouth and teeth to ensure you haven't developed any oral health issues since your last recall exam. You and your dependents are also covered for 10 units of scaling time over 12 consecutive months. Each unit of scaling is equal to 15 minutes of teeth cleaning. Dental *scaling* can be spread over several appointments during the year. Your dentist may schedule a recall exam during a scaling visit, or on a separate date.

If my spouse also has a benefits plan, where do we submit claims?

If you and your spouse both have benefits coverage, submit any covered expenses for you to our plan first. You can then submit any unpaid amounts to your spouse's plan, along with the explanation of benefits you received. Likewise, when your spouse receives treatment, the claim should first be made to his or her own plan, with unpaid amounts submitted to our plan. Claims for children should first be made to the plan of the parent whose birthday falls earliest in the year; this is considered the "primary" plan. Unpaid amounts can then be sent to the "secondary" parent's plan.



Will the plan pay for the services of a dietitian or nutritionist?

The plan does not cover dietitian or nutritionist services. However, the Member Assistance Plan (MAP) does offer consultation with registered dietitians on nutrition matters. You can contact the MAP at 1-800-387-4765. For more information on maintaining a healthy lifestyle, talk to your doctor or connect with organizations such as the Heart and Stroke Foundation of Canada, the Canadian Diabetes Association and the Canadian Cancer Society.

You can also help manage your health by taking advantage of our preferred rates for GoodLife Fitness. Local 793 members, active retirees and family members can buy a GoodLife membership at a discounted rate of \$499 plus tax for one year, or \$24 plus tax bi-weekly. To join, contact 1-800-287-4631 and give them your union registration number.

How do I coordinate the purchase of customized medical aids, such as colostomy or ileostomy supplies, with the provincial government and our plan?

If you have a colostomy or ileostomy, you'll need to submit an application to the Ontario Assistive Devices Program (ADP) for financial support. Your doctor can help you complete the application and confirm if you qualify. Once approved, you'll receive payments from ADP to help cover the cost of these supplies. Costs that aren't covered by ADP can be submitted to the Local 793 benefits plan. Complete a Local 793 medical claim form, and attach your ADP approval letter and receipts showing your funding has been used.

YOUR BENEFITS PLAN TEAM

TRUSTEES

Union

Brian Alexander
Steve Booze
Michael Gallagher
Ron Hillis
Joe Redshaw
Robert Turpin

Management

Robert Dulepka
Jim Vlahos

ADMINISTRATOR/CONSULTANT

Global Benefits

INVESTMENT MANAGER

Ridgewood Capital Asset Management

AUDITOR

BDO Canada LLP

INSURANCE COMPANY (for life insurance)

Manulife Financial

KEEP IN TOUCH!

Got a question about your benefits plan? Contact the Pension and Benefits department at your union office.

International Union of Operating Engineers Local 793
Pension & Benefits Department
2245 Speers Road
Oakville, Ontario
L6L 6X8

Phone: 905-469-9299

Toll-free: 1-877-793-4863

Fax: 905-469-3007

Web: www.iuoelocal793.org

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.