

## IRONWORKERS HEALTH & WELFARE TRUST FUND OF WESTERN CANADA

### To: Ironworker Members & Contributing Employers

We are pleased to present our 31<sup>st</sup> Annual Report highlighting the activities of the Fund during the year ended December 31, 2020, with comparative amounts for 2019.

At the end of 2020, the overall Trust Fund had Net assets available for benefits of \$19.6 million (including future banked hours liability and Target Extended Benefit (TEB) reserves), a \$0.8 million decrease from 2020. The Trust Fund is managed with a long term perspective and aims to provide sufficient reserves to fund all accumulated future eligibility and obligations and to maintain benefit levels for up to an additional ten months per member should the fund wind up. The Fund currently meets these goals. Trustees will look at options to address the shortfall in the next two years.

Over the course of 2020, there was a 6.7% decrease in net contributions (net of reciprocal transfers) to the Fund compared to last year. In 2020, total contributions (including reciprocal) were \$5,111,135 and net contributions were \$5,042,810. Reciprocal payments decreased from \$138,711 to \$68,325.

Funds distributed decreased by 11.1% on all lines of coverage, in 2020 compared to 2019, while the per capita claim amounts trended downwards 9.7% for Health and downwards 16.2% for Dental, while the average membership decreased by 7.7% in 2020.

As always, an independent audit has been performed on the records of the Fund. The complete audited financial statements and consultant's report are available for examination at the Fund Office.

With your continued support, we look forward to serving the health and welfare benefit needs of our Members and your families over the next year.

Sincerely,  
BOARD OF TRUSTEES  
July 2021

### BENEFIT CHANGES (EFFECTIVE JANUARY 1, 2020):

Increased Weekly Disability to \$573 for classes 700 & 701 only.

Dental recall exam changed to 1 exam every 12 months for adults and 1 exam every 6 months for children.

### BENEFIT CHANGES (EFFECTIVE JANUARY 1, 2021):

Increased Weekly Disability to \$595 for classes 700 & 701 only.

Added Intrauterine Device (IUD) to prescription drug coverage.

Note: Self-Pay rates will remain unchanged for 2021.

### HOW THE FUND'S BENEFIT PLAN PAYMENTS WERE DISTRIBUTED

#### January 1 to December 31

<u>Benefit</u>	<u>2020</u>	<u>2019</u>
Member Life Insurance <sup>(1)</sup>	\$862,883	\$857,800
Dependent Life Insurance <sup>(1)</sup>	Included above	Included above
AD&D <sup>(1)</sup>	131,798	138,519
Weekly Disability Income <sup>(2)</sup>	249,619	232,944
Supplementary Health Care <sup>(2)</sup>	2,667,105	3,111,922
Dental Care <sup>(2)</sup>	1,446,605	1,821,183
<b>TOTAL</b>	<b><u>\$5,358,010</u></b>	<b><u>\$6,162,368</u></b>

(1) Insured benefits show premium paid.

(2) Uninsured benefits show paid claims.

### INVESTMENT RETURNS:

Recent Investment Returns			
Year	1-Year Return	Cumulative Returns	
2020	6.2%	1 Year	6.2%
2019	14.2%	2 Year	10.2%
2018	-4.9%	3 Year	4.9%
2017	9.3%	4 Year	6.0%
2016	9.2%	5 Year	6.6%
		10 Year	7.8%
		15 Year	6.7%
		20 Year	6.1%

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

### For The Year Ended December 31

	<u>2020</u>	<u>2019</u>
<u>Net Contributions</u>	<u>\$5,042,810</u>	<u>\$5,402,469</u>
<u>Benefit Expenses</u>		
Net Insurance Premiums	\$5,391,154	\$6,181,531
TEB benefit	174,821	118,391
HSA benefit	330,781	321,913
Member Assistance Program	17,079	32,895
TOTAL	<u>\$5,982,160</u>	<u>\$6,793,441</u>
<u>Operating Excess (Deficiency)</u>	<u>(\$871,025)</u>	<u>(\$1,252,261)</u>
<u>Investment Income</u>	<u>\$1,010,381</u>	<u>\$2,703,657</u>
<u>Other Expenses</u>		
Admin. Services	\$686,569	\$716,653
All Other Expenses	223,110	293,275
TOTAL	<u>\$909,679</u>	<u>\$1,009,928</u>
Increase (decrease) in net assets available for benefits	<u>(\$770,323)</u>	<u>\$441,467</u>
Net assets available for benefits, beginning of year	<u>\$20,331,883</u>	<u>\$19,890,416</u>
Net assets available for benefits, end of year	<u>\$19,561,560</u>	<u>\$20,331,883</u>

### FUND BALANCE

The Fund Balance provides funds:

1. For all Members' future eligibility which is established in their accumulated hour banks;
2. For periods of low employment, unfavorable claims experience, or any abnormal financial burden which may affect the Fund's income.

## STATEMENT OF FINANCIAL POSITION

For The Year Ended December 31

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash	\$1,238,283	\$1,644,636
Contributions Receivable	369,040	500,202
Prepaid Expenses	10,989	27,199
Investments	18,998,117	19,429,972
TOTAL	<u>\$21,591,724</u>	<u>\$21,591,724</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$132,421	\$291,310
Due to insurance carriers	0	0
Liability for incurred but unreported claims	557,448	613,816
Provision for health spending account	365,000	365,000
TOTAL	<u>\$1,054,869</u>	<u>\$1,270,126</u>
<b>Net assets available for benefits</b>	<u><b>\$19,561,560</b></u>	<u><b>\$20,331,883</b></u>

**NOTE:** This financial information is a condensed version of the Fund's Audited Financial Statements for the years ended December 31, 2020 and December 31, 2019, prepared by Mowbrey Gil.

The complete Financial Statements are available for examination at the Fund Office.

For further information, contact:  
**IRONWORKERS HEALTH & WELFARE  
 TRUST FUND OF WESTERN CANADA**

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 Edmonton, Alberta T5J 1L3  
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**EMPLOYER TRUSTEES**

Jack Vanier (Co-Chairman)  
 Pat Bichel  
 Martin Kennedy  
 John Leder  
 Wilf McKee  
 Marvin Olansky

**UNION TRUSTEES**

Rob Calver (Chairman)  
 Oakley Cooper  
 Peter London  
 Gary Savard  
 Jason Smart  
 Keith Stevenson

**ADMINISTRATOR**

Funds Administrative Service Inc.

**LEGAL COUNSEL**

DLA Piper (Canada) LLP

**CONSULTANTS & ACTUARIES**

Johnson Inc.

**AUDITOR**

Mowbrey Gil LLP  
 Chartered Accountants

**INSURANCE UNDERWRITERS/PROVIDERS**

Manulife Financial  
 ClaimSecure  
 Industrial Alliance Insurance and Financial Services Inc.  
 RSA Travel Insurance



The Ironworkers Health & Welfare Trust of Western Canada (Ironworkers) is an International Association of Bridge, Structural, Ornamental & Reinforcing Ironworkers comprised of two Local Unions in Alberta.

Local 720 (Northern Alberta) was created in late 1949 and Local 725 (Southern Alberta) in early 1950. These unions looked out for our members and created the 'Good and Welfare' Fund in 1958 and a 'Health and Welfare' Fund in 1959. These were the first steps towards a full suite of benefits for our members, including life insurance (which was set up in 1959) and pensions.

Membership expanded as the economy grew and we began to put more resources into training and skill development, as well as partnerships to develop young First Nations workers and women into the trade.

Together we continue to provide a safe, productive workforce for our most valued partners; our contractors. We have trained some of the best Ironworkers, Rodbusters and Welders in Canada allowing them to mold and shape Alberta's skyline.

**IRONWORKERS  
 HEALTH & WELFARE  
 TRUST FUND OF WESTERN CANADA**

**Annual Report  
 As At December 31, 2020**