

IRONWORKERS HEALTH & WELFARE TRUST FUND OF WESTERN CANADA

To: Ironworker Members & Contributing Employers

We are pleased to present our 32nd Annual Report highlighting the activities of the Fund during the year ended December 31, 2021, with comparative amounts for 2020.

At the end of 2021, the overall Trust Fund had Net assets available for benefits of \$21.5 million (including future banked hours liability and Target Extended Benefit (TEB) reserves), a \$2.0 million increase 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 2021, there was a 12.7% increase in net contributions (net of reciprocal transfers) to the Fund compared to last year. In 2021, total contributions (including reciprocal) were \$5,776,439 and net contributions were \$5,683,633. Reciprocal payments increased from \$68,325 to \$92,806.

Funds distributed increased by 11.2% on all lines of coverage, in 2021 compared to 2020, while the per capita claim amounts trended upwards 16.8% for Health and upwards 26.9% for Dental, while the average membership decreased by 4.3% in 2021.

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 2022

BENEFIT CHANGES (EFFECTIVE JANUARY 1, 2021):

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

Added Intrauterine Device (IUD) to prescription drug coverage.

BENEFIT CHANGES (EFFECTIVE JANUARY 1, 2022):

Increased Weekly Disability to \$638 for classes 700 & 701 only.

Note: Based on the current status of the Trust Fund there will be no changes to the self-payment rates for 2022. The Trustees continue to monitor to costs so that retired members on fixed incomes and out of work members are not hit with significant cost fluctuations.

HOW THE FUND'S BENEFIT PLAN PAYMENTS WERE DISTRIBUTED

January 1 to December 31

Benefit	2021	2020
Member Life Insurance ⁽¹⁾	\$730,772	\$862,883
Dependent Life Insurance ⁽¹⁾	Included above	Included above
AD&D ⁽¹⁾	121,763	131,798
Weekly Disability Income ⁽²⁾	181,559	249,619
Supplementary Health Care ⁽²⁾	2,909,288	2,667,105
Dental Care ⁽²⁾	1,714,876	1,446,605
TOTAL	<u>\$5,658,258</u>	<u>\$5,358,010</u>

(1) Insured benefits show premium paid.

(2) Uninsured benefits show paid claims.

INVESTMENT RETURNS:

Recent Investment Returns			
Year	1-Year Return	Cumulative Returns	
2021	21.0%	1 Year	21.0%
2020	6.4%	2 Year	13.5%
2019	14.7%	3 Year	13.9%
2018	-4.9%	4 Year	8.9%
2017	9.3%	5 Year	9.0%
		10 Year	11.5%
		15 Year	7.0%
		20 Year	7.4%

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

For The Year Ended December 31

	2021	2020
<u>Net Contributions</u>	<u>\$5,683,633</u>	<u>\$5,042,810</u>
<u>Benefit Expenses</u>		
Net Insurance Premiums	\$5,846,430	\$5,391,154
TEB benefit	310,637	174,821
HSA benefit	391,409	330,781
Member Assistance Program	25,423	17,079
TOTAL	<u>\$6,666,705</u>	<u>\$5,982,160</u>
<u>Operating Excess (Deficiency)</u>	<u>\$(890,266)</u>	<u>(\$871,025)</u>
<u>Investment Income</u>	<u>\$3,813,533</u>	<u>\$1,010,381</u>
<u>Other Expenses</u>		
Admin. Services	\$698,968	\$686,569
All Other Expenses	254,928	223,110
TOTAL	<u>\$953,896</u>	<u>\$909,679</u>
Increase (decrease) in net assets available for benefits	<u>\$1,969,371</u>	<u>(\$770,323)</u>
Net assets available for benefits, beginning of year	<u>\$19,561,560</u>	<u>\$20,331,883</u>
Net assets available for benefits, end of year	<u>\$21,530,931</u>	<u>\$19,561,560</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>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash	\$1,310,890	\$1,238,283
Contributions Receivable	467,702	369,040
Prepaid Expenses	33,235	10,989
Investments	20,859,254	18,998,117
TOTAL	<u>\$22,671,081</u>	<u>\$20,616,429</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$222,806	\$132,421
Due to insurance carriers	0	0
Liability for incurred but unreported claims	552,344	557,448
Provision for health spending account	365,000	365,000
TOTAL	<u>\$1,140,150</u>	<u>\$1,054,869</u>
<u>Net assets available for benefits</u>	<u>\$21,530,931</u>	<u>\$19,561,560</u>

NOTE: This financial information is a condensed version of the Fund's Audited Financial Statements for the years ended December 31, 2021 and December 31, 2020, 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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EMPLOYER TRUSTEES

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

UNION TRUSTEES

Jason Smart (Chairman)
 Rob Calver
 Oakley Cooper
 Peter London
 Gary Savard
 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
 TELUS Health
 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, 2021**