



Benefit Plan Updates

Effective January 1, 2022

The CMAW Benefit Plan delivers a comprehensive package of benefits, covering dental, health care, life insurance, disability, and more. Members should be proud of the quality of their benefit plan; it has supported member needs for many years.

To ensure the long-term sustainability of the Plan, the Board of Trustees, along with their benefit consultants, monitor the financial experience of the plan regularly. Contributions into the plan, as per our collective agreements, have increased over time; expenditures, unfortunately, have increased at a greater rate, and the plan has experienced financial deficits over the past three years. While the trustees were optimistic that the financial circumstances would reverse with new projects and more hours flowing into the plan, a funding gap persists. Benefit claims and expenses continue to exceed plan contributions, investment income and hour bank overages, resulting in an erosion of our plan assets.

Based on a recommendation by our consultants, the Trustees have now determined that certain changes to the plan are needed. While these decisions are difficult to make, they are necessary to continue providing a high level of benefit coverage to our members and families and to support the ongoing health of our plan.

[Read on to learn more.](#)

Monthly Hour Bank Draw Increase

Member coverage is provided via an hour bank eligibility system. This means that you are credited hours for contributions received by the plan on your behalf. Currently, 110 hours are drawn from a member's bank for one month of coverage and members can bank up to a maximum of 1,320 hours. **Effective January 1, 2022, the monthly draw will increase to 120 hours per month, and the hour bank maximum will increase to 1,440. Qualification rules will also change from 110 to 120 hours for initial coverage, and 220 to 240 hours for self-pay.** These changes will help meet the costs of the plan.

Self-Pay Rate Increase

If a covered member's hour bank falls short of the monthly draw, members will receive a Self-Payment Notice indicating the number of hours they are short in the hour bank and the payment amount required to maintain coverage. Currently, the self-pay rate is \$235.40 (for 110 hours). **Effective January 1, 2022, the self-pay rate will be increasing to \$274.80 (for 120 hours).** This change is needed to keep up with the rising cost of coverage. The self-pay rate should reflect the actual cost of benefits coverage and will be reviewed and adjusted periodically.

Summary

Effective January 1, 2022:

- The monthly draw from member hour banks will increase from 110 to 120 hours
- The self-pay rate will increase from \$2.14 per hour to \$2.29 per hour.

Plan Performance

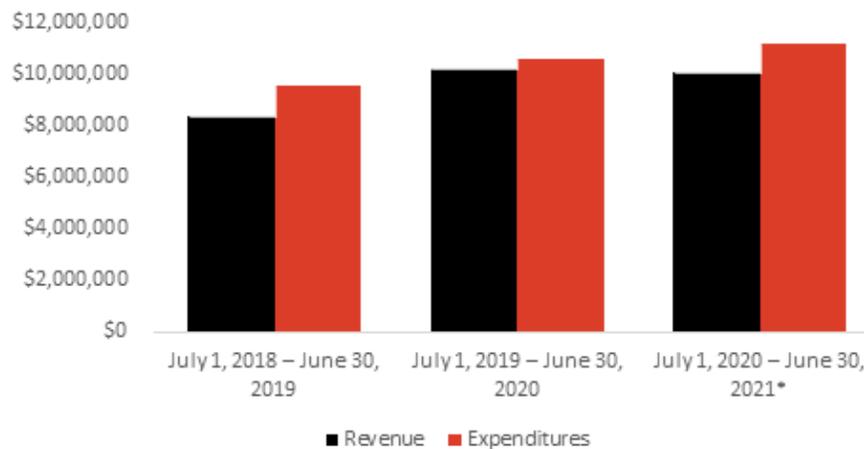
The table below outlines the financial performance of the plan from July 1, 2018, to June 30, 2021:

	Revenue	Expenditures	Deficiency of Revenues Over Expenditures	Hour Bank Liabilities (Total Liabilities)	Net Assets Available for Benefits at End of Year
July 1, 2018 – June 30, 2019	\$8,405,950	\$9,590,758	(-\$1,184,798)	\$7,444,968	\$8,319,570
July 1, 2019 – June 30, 2020	\$10,262,635	\$10,606,522	(-\$343,887)	\$8,214,288	\$7,975,683
July 1, 2020 – June 30, 2021*	\$10,094,979	\$11,214,152	(-\$1,119,173)	\$8,879,247	\$6,856,510

*Please note: the figures stated for the latest plan year have not been audited and are for illustration purposes only.

Revenue and Expenditures

As noted in the chart below, total plan expenditures (including claim payments, premiums, and other expenses) have exceeded plan revenue (including investment income) for each of the last three years.



Ongoing Review

As the financial strength of the CMAW Benefit Plan is important for members and their families, the Trustees will continue to negotiate with our service providers to make sure our members get the best bang for their buck. The changes presented in this communication are necessary to help address the funding gap and stability of our Plan. But rest assured, changes to our plan considered by the Board of Trustees are reviewed thoroughly with our benefit consultants and are made with the long-term financial viability of the CMAW Benefit Plan in mind.

Your Trustees

Jessie Gregory (Chair)	Peter Cail	Henry Froste	Mikael Jensen	Paul Nedelec	Jason Pettigrew	Chris Wasilenchuk
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Please contact the CMAW Benefit Plan administration office for questions:

#1000 – 4445 Lougheed Hwy
Burnaby, BC
V5C 0E4 Canada

1-844-366-2629 (toll-free)
www.cmaw.ca
cmaw@bgbenefitsadmin.com