

Alberta Sheet Metal Workers' Retirement Trust Fund

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THE SOLDERING IRON

July 2017 Newsletter

Regular Office Hours: Monday to Friday

8:30 a.m. to 12 Noon and

1:00 p.m. to 4:30 p.m.

How is the Plan doing?

We are happy to report that the Plan is financially sound. Your Board of Trustees annually reviews the financial health of your pension plan through an actuarial valuation. The valuation is a financial check-up to see if the Plan has enough assets to cover the liabilities (the benefits promised). The valuation looks at the funding position on a long term basis (going concern) and on a short term basis (solvency). The valuation results as at **January 1, 2017** indicate that there are sufficient assets to cover the Plan's liabilities both on a long term and short term basis. As the table below indicates, there is a surplus.

<i>January 1, 2017 Funding Position</i>		
	Going Concern	Solvency
Plan Assets:	\$265,032,000	\$264,182,000
Plan Liabilities:	<u>\$239,453,000</u>	<u>\$234,720,000</u>
Surplus:	\$25,579,000	\$29,462,000
Funded Ratio:	110.7%	112.6%

Going Concern - the Plan continues indefinitely

Solvency - if the Plan was to wind-up on Jan 1st, 2017

The valuation further estimates the cost of benefits that are expected to be earned by active working Plan

SCR - the cost per hour to fund 4.14 cents of monthly lifetime pension, payable at age 60 & the 50% supplementary pension paid from 60 to 65

members **after** January 1, 2017. This analysis sets the Standard Contribution Rate (SCR) that will be used to calculate your pension based on the contributions received on your behalf. We are pleased to report that the Standard Contribution Rate will be reducing from \$7.60 per hour to **\$7.54 per hour**, effective **January 1, 2018**. See example on page 2.

Your Pension Plan remains in a solid financial position which is the result of an ongoing long term strategy implemented by your Board of Trustees. There is still a high degree of economic uncertainty as well as other risks that are not of a financial nature such as membership demographics/mortality. Given that these risks can impact the funding position, the Board of Trustees' will continue to monitor the Plan closely. They are committed to ensure the Plan remains sustainable for current and future generations.

You can review the Mission Statement by visiting our website.

2018 Pension Earned

The pension contributions received from your Employer will be converted into Standard Contribution Rate (SCR) Hours to determine your pension earned for the year. For example, if you work under the Provincial Collective Agreement your Employer pays:

- 1 hour @ \$4.50 Commercial Rate = **0.59** SCR hour
- 1 hour @ \$5.50 Industrial Rate = **0.72** SCR hour

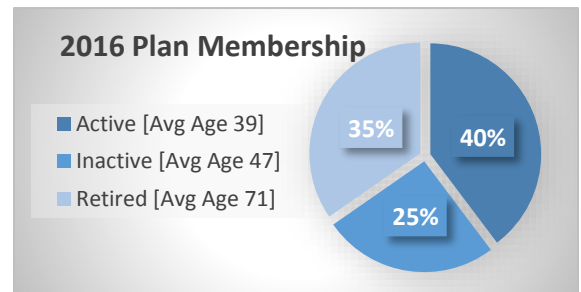
For each SCR Hour you earn 4.14 cents of monthly pension payable at age 60 for your lifetime, and in the event you predecease your spouse, the monthly pension continues to your spouse for their lifetime.

For example, if the Plan received pension contributions of \$8,019*, the contributions received are divided by the SCR (\$7.54) to determine the number of SCR Hours; *1,800 hours @ \$4.50 less 1% Funeral Benefit Plan

$$\begin{aligned} \$8,019 / \$7.54 &= \mathbf{1,064 \text{ SCR Hours}} \times 4.14 \text{ cents} = \$44.05 \text{ lifetime monthly pension at age 60} \\ &\quad \$22.03 \text{ supplementary payable 60 to 65} \end{aligned}$$

2016 Plan Highlights

- 3,401** members at the end of 2016
- \$7,605,430** in contributions (Employer/Member self paymt)
- \$10,873,748** in investment income
- \$6,000,700** in pension payments to retired members
- \$947,190** in survivor payments
- \$69,271** in disability credits
- \$2,917,438** transferred out (i.e. termination/death)
- \$698,301** in professional fees and operating expenses



Professional/Operating costs represent **0.26%** of the Plan's Assets of \$265,032,000

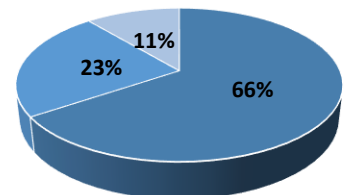
Your Board of Trustees ~ July 1, 2017

- Garry Melcosky, Chairman, Union Trustee
- David Alle, Vice-Chairman, Employer Trustee
- Ron Richards, Employer Trustee
- Sean Rayner, Employer Trustee
- Brad Watters, Union Trustee
- Scott St. Louis, Union Trustee
- Eric Arctander, Pensioner Trustee
- John Hoekstra, Pensioner Trustee

Year	Hours Reported
2016	1,506,761
2015	1,480,675
2014	1,970,643
2013	1,717,897

December 31, 2016 - Asset Mix

- Fixed Income [66%]
- Equities [23%]
- Mortgage [11%]



In Remembrance... "When someone you love becomes a memory, the memory becomes a treasure."

We are sad to say that we have lost many of our Plan Members over the past year. A list of their names can be found on our website. On behalf of the Board of Trustees, Administration Staff and the Plan Membership, we extend heartfelt condolences to their families.

Your Administration Office

If you have any questions regarding your pension benefit, please call or email the Administration office. Additional information about your Pension Plan is available on our website.

Wanda Hoyle, CEB
Plan Administrator

Do we have the correct beneficiary to receive benefits on your death?
If you are not sure, call or email our office.