

Alberta Sheet Metal Workers' Retirement Trust Fund

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This year the Alberta Sheet Metal Workers' Retirement Plan reaches a milestone and what better way is there to celebrate **50 years than announcing more **benefit improvements** in 2022!**

Over the past few years, there have been many events that have affected our every day lives and through it all, the Alberta Sheet Metal Workers' Retirement Plan continues to be in a very healthy position. The financial markets may be uncertain, but your pension plan is designed for the long term. The Trustees aim to prudently manage the Plan to ensure there are sufficient assets to pay for the expected benefits while aiming for the best possible benefits. The Plan's Benefit & Funding and Investment policies reflect these objectives and provide guidance to the Trustees to manage the Plan for all members.

The objective of the investment strategy is the security of benefits, but also aims to support higher benefit levels by investing in riskier assets (equities/real estate). Over the years, the Trustees have taken the approach to not assume higher returns from riskier assets until they are realized since if higher expected returns are not realized it could result in reducing benefits. As the risk assets generate strong returns, it leads the Plan to develop surplus that can then be used to improve benefit levels. However, the Trustees recognize that this approach, which was adopted in 2013, increased the Standard Contribution Rate for active working members, resulting in a lower pension accrual during these years. This approach has been successful, as higher returns have come to fruition with the Plan currently having a surplus to provide benefit increases.

Benefit improvements

With the strong long-term financial strength of the Plan over the past few years, the Trustees were able to provide the following improvements consistent with the objectives of the Plan of providing benefit security and intergenerational equity;

- 4% increase on January 1, 2019
- 5% increase on January 1, 2022

Even after these improvements, the Plan remained well funded and continued to generate additional surplus. As such, based on valuation results presented to the Trustees in June 2022, the Trustees are pleased to announce additional benefit improvements!

Here's what's improving effective September 1, 2022

2013-2021 Accrued Benefits

Benefits earned during 2013 to 2021 will be adjusted to reflect a Standard Contribution Rate of \$5.00

- Applies to active, inactive, and retired members who earned benefits during this period.

6% Increase

- Applies to all members: active, inactive, retired and survivors/beneficiaries receiving monthly benefits.

Standard Contribution Rate

- The Standard Contribution Rate will be capped at \$5.00 for 2022 and 2023.

Benefits paid on or after September 1, 2022 will reflect the benefit improvements. Please refer to the enclosed Pension Benefit Statement outlining your benefit increase and your new monthly pension amount. Your benefit increase is based on the number of hours and the contribution rate reported and paid from your Employer(s).

Valuation Results – Funding Position as at January 1, 2022

The valuation is a financial check to ensure Plan assets cover Plan liabilities (promised benefits). The valuation results presented to the Trustees in June 2022 show that the Plan is in a strong financial position to award benefit improvements.

<i>Funding Position as at January 1, 2022</i> <i>(\$ In Millions)</i>		
	Going Concern	Solvency
Plan Assets:	\$328.6	\$327.8
Plan Liabilities:	<u>\$247.3</u>	<u>\$233.8</u>
Surplus:	\$81.3	\$94.0
Funded Ratio:	132.9%	140.2%

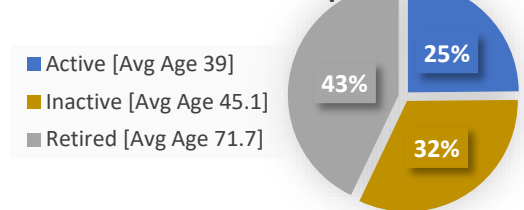
Going Concern - the Plan continues indefinitely

Solvency - if the Plan were to wind-up on Jan 1st, 2022

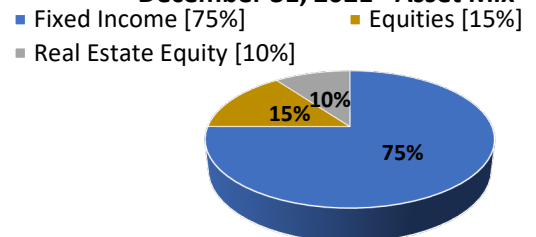
Plan Highlights - As at December 31, 2021

3,147	members
\$4,017,223	in contributions (Employer/Member self-payments)
\$3,748,210	in investment income (net of fees)
(\$3,776,517)	holding gain on investments
\$8,331,848	in pension payments to retired members
\$1,090,696	in survivor payments
\$52,092	in disability credits
\$4,678,449	transferred out (termination/death)
\$529,099	in professional fees and operating expenses [*represents 0.16% of Plan Assets]
\$328,634,022	Plan Assets*
\$247,305,000	Pension Obligations (Plan Liabilities)
\$81,329,022	Funding Surplus (going concern basis)

2021 Plan Membership



December 31, 2021 - Asset Mix



In Remembrance

On behalf of the Board of Trustees, Administration Staff and the Plan Membership, we extend heartfelt condolences to the families of;

Lyle Adams	Lorne Dawes	Ken Fremstad	Mike Nichol	Leonard Stepanuk
Denis Babineau	Jacques Dechamplain	Dottie Giles	Eric Oram	John Stroud
Paul Barlow	Adrian Dereg	Kelly Handy	Henry Paetkau	Margaret Teichroeb
Rose Bazzana	Michael Dobbin	William Hendrie	Jack W Plante	Dave Topylko
Ronald Berreth	Nell Dueck	Malcolm Jamieson	Frederick Popowich	Joseph Tymkow
Charlene Bien	Aubrey Dyke	C Dennis Keeler	Denis Renaud	Terry Walde
David Bjornson	Stan Elechko	Jean Magnin	Robert Richards	Kenneth White
Lorna Brewster	Steve Farkasdi	Marian McGee	Joanna Sawchuk	Richard Woodman
Norris Buchanan	Stewart Farrow	Christopher McKenzie	June Scott	Cathy Young

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

Designating Beneficiaries (Pre-Retirement)

If you die before you retire:

If you are married or in a common-law relationship at the time of your death, **your Spouse is automatically entitled to your pension, regardless of your beneficiary designation.** Your designated beneficiary is only entitled to a death benefit if you do not have a Spouse at the time of your death or, if prior to your death, your Spouse has signed a Spousal Waiver of Pre-Retirement Death Benefit form.

If you do not name a beneficiary, or if all of your designated beneficiaries have predeceased you, the death benefit is paid to your estate. If you have not designated a beneficiary(s), **we highly recommend that you do.** Since the death benefit is paid directly to your beneficiary, it keeps the benefit safe from any creditors. Not to mention the costs and time involved in settling an estate.

If your enclosed Pension Benefit Statement does not list any beneficiary(s), please contact our office for a Designation of Beneficiary form. If your beneficiaries are minor children, please ensure you name the legal guardian or a trustee on the form. **REMEMBER:** Your Spouse is automatically entitled to the death (survivor) benefit, therefore, your designated beneficiary is someone that you care about and would want to receive a death benefit if, at the time of your death, you did not have a Spouse.

A Spouse [Pension Partner] is a person who has rights to your pension in accordance with pension legislation and who, at the relative time, is;

- a) someone that you are married to and to whom you have not been living separate and apart for 3 or more consecutive years, or
- b) if there is no person to whom subsection (a) applies, someone you have been living with in a conjugal relationship;
 - i. for a continuous period of at least 3 years, or
 - ii. of some permanence, if there is a child of the relationship by birth or adoption.

"Relevant time" refers to the date of death or date of retirement.

A Heartfelt Thank You

On behalf of the Board, the Plan Members and the Administrative Staff, we would like to thank John Archer for his dedication to the Plan and its members during his term as Union Trustee.

We also wish to thank Dave Alle for his commitment to the Plan over the past 30+ years as Employer Trustee. His dedication to the Members, the Administration Staff and the Board of Trustees over these many years has been truly invaluable.

Your Board of Trustees ~ July 1, 2022

Garry Melcosky, Chairman, Union Trustee
Greg Hensch, Employer Trustee
Sean Rayner, Employer Trustee
Daniel Lee, Union Trustee
Cody Verhees, Union Trustee
Eric Arctander, Pensioner Trustee
John Hoekstra, Pensioner Trustee
Brad Watters, Pensioner Trustee

Your Administration Office

The office is operating with a limited number of staff. If you wish to meet in-person to discuss your pension, call our office to set up an appointment. Every effort will be made to ensure the pension office is opened during regular office hours, however, there could be an unforeseen event resulting in the office being temporarily closed. If you are dropping off documents, and the office is closed, there is a grey locked mailbox to the right of the door.

Of course, if you have any questions regarding your pension, please call or email the Administration office. If we are unable to take your call, please leave a message and we will get back to you as soon as possible.

Additional information is also available on our website - www.absheetmetalpension.com.

Office Hours - Monday - Friday

8:00 am to 4:00 pm (closed noon to 1 pm)

With kind regards,

*Heather Ross, CEBS
Asst. Plan Administrator*

*Wanda Hoyle, CEB
Plan Administrator*