

# Alberta Sheet Metal Workers' Retirement Trust Fund

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June 2023 Newsletter

## In This Issue

Page 2 - Valuation Results

In Remembrance

2022 Plan Highlights

## Administration Office: Summer Hours

The office will be closed on Fridays starting mid-June to mid-September. With limited staff and the necessity of having to attend meetings, etc., there could be times the office is closed, and therefore, it is recommended that you call the office prior to stopping by. If you do drop by with documents, and the office is closed, there is a grey locked mailbox to the right of the door. Of course, you can always call or email the Administration office with any questions. If we are unable to take your call, please leave us a message and we will get back to you as soon as possible.

## Understanding the Standard Contribution Rate (SCR) & Benefit Earned

Your Employer contributes pension contributions for each hour you work based on the Local 8 agreement. The pension contributions received are divided by the Standard Contribution Rate (SCR) to determine your pension earned for the year.

### The Standard Contribution Rate for 2023 is \$5.00.

For example, if you work under the Provincial Collective Agreement your Employer pays:

- 1 hour @ \$4.50 Commercial Rate = **0.90** SCR hour @ \$5.00 SCR
- 1 hour @ \$5.50 Industrial Rate = **1.10** SCR hour @ \$5.00 SCR

For each SCR hour you earn 4.14 cents of monthly lifetime pension payable at age 60.

If a member works 1,800 hours and their Employer contributed \$4.50 per hour, the total pension contributions remitted for the year is \$8,100\*. The pension contributions are divided by the \$5.00 SCR to determine the number of SCR hours.

$$\begin{aligned} \$8,019^* / \$5.00 &= \mathbf{1,604 \text{ SCR Hours}} \times 4.14 \text{ cents} = \$66.41 \text{ monthly pension payable at age 60 for } \mathbf{life} \\ &\qquad\qquad\qquad \$33.21 \text{ monthly supplementary payable at age 60 to 65} \end{aligned}$$

\*less 1% for Funeral Benefit Plan

Using this example, over a 35-year work period, a member at age 60 would receive a pension of \$2,324.35 per month for their lifetime, plus an additional \$1,162.18 per month of supplementary pension from age 60 to 65. If the member died at age 80, the total pension paid to him/her would be \$627,574.80.

The benefit earned is a **Joint & Last Survivor, with no reduction on death**. This means that on the member's death at age 80, the \$2,324.35 continues to their surviving spouse for their lifetime.

## Maximizing your Pension

If you earn less than \$86.94 (maximum allowed based on 2,100 SCR hours) in a given year, you may self pay or purchase past service to increase the pension you earned up to \$86.94. Contact the pension office for more information on which option is the most beneficial for you.

## A Benefit Promised

We are happy to report that the Plan remains in a solid financial position. Through the process of an annual valuation, the Trustees carefully monitor the funding status of the Plan, to ensure that when looking way into the future, the assets will cover the benefit promised (liabilities) to the members. With the current economic/global uncertainty, the stability and security of benefits as promised remains front and center. The key to benefit sustainability is to remain fully funded; fluctuation in funding levels is primarily driven by investment returns. Therefore, the Trustees have prudently agreed to preserve the current funding level and will review the financial status again in 2024.

## January 1, 2023 Valuation Results

The results of the valuation show that the Plan's funding is strong, and your pension is secure.

*Going Concern - the Plan continues indefinitely*

*Solvency - if the Plan was to wind-up on January 1, 2023*

<b>Funding Position as at January 1, 2023</b> <b>(\$ In Millions)</b>		
	<b>Going Concern</b>	<b>Solvency</b>
Plan Assets:	\$254.2	\$253.3
Plan Liabilities:	<u>\$209.6</u>	<u>\$200.5</u>
Surplus:	\$44.6	\$52.8
Funded Ratio:	121%	126%

## In Remembrance

We are always saddened to hear that a Plan member has passed away. We have listed those we have lost since our last newsletter. On behalf of the Board of Trustees, Administration Staff and the Plan Membership, we extend heartfelt condolences to the families of;

Joanna Becker	Walter Chimko	Lyndon Fleming	Leonard Larose	Paul Palichuk	John Smith
Wesley Bell	Albert Churchill	Royden Gardner	Jonel Lazarjan	Shirley Parsons	Judith Stewart
Jeffrey Bergl	Shirlene D'arcis	Sante Giorgi	John Mills	Louise Plewes	Sharon Ward
Paul Bernard	Alf Durant	Kenneth Grant	George Mulholland	Bernice Racine	Patrick Wensley
Richard Blair	Elaine Erick	Quan Ha	Dennis Murphy	Philip Schafer	Aubrey Yetman
Bert Bockholdt	Victor Ewasiw	Louis Horvath	Werner Niedersteiner	Jack Skibola	
Larry Bomersback	Keith Farmer	Dorothy Irving	Morley Oleski	Richard Smith	
Ralph Borgerson	Sherman Fenrick	Albert Knappe	Gizella Orban	Curtis Smith	

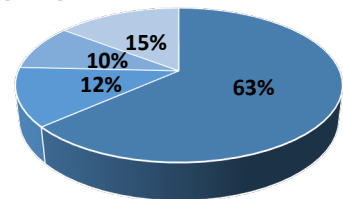
*"When someone you love becomes a memory, the memory becomes a treasure."*

## 2022 Plan Highlights

3,085	members at the end of 2022
\$3,224,166	in contributions (Employer/Member self-payments)
\$5,399,781	in investment income (net of fees)
(\$68,295,465)	holding loss on investments
\$9,048,666	in pension payments to retired members
\$1,278,466	in survivor payments
\$10,864	in disability credits
\$3,778,665	transferred out (i.e. termination/death)
\$645,227	in professional fees and operating expenses [represents 0.25% of Plan Assets as at Dec 31/2022*]
\$254,200,616	Plan Assets* as at December 31, 2022

**December 31, 2022 - Asset Mix**

- Bonds [63%]
- Equities [12%]
- Mortgages [10%]
- Real Estate Fund [15%]



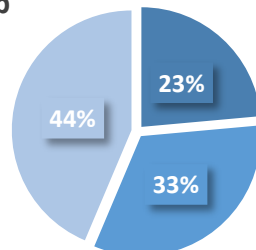
Benefit Payments  
\$14,116,661

### Your Board of Trustees ~ July 1, 2023

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

## 2022 Plan Membership

- Active [Avg Age 39.6]
- Inactive [Avg Age 45.6]
- Retired [Avg Age 72.2]



We hope that you have a wonderful summer!

Heather & Wanda