

May 20, 2011

Dear Members:

**RE: U.A. LOCAL 67 WELFARE PLAN
Group Insurance Premium Increase**

The Board of Trustees are writing to you regarding the current funding of the Health and Welfare Plan. Following a recent review of the claims experience with Green Shield Canada, the group insurance policy is in a deficit position projected to be in excess of \$240,000 at year end.

The membership approved an increase in the hourly rate of Welfare Contributions of \$0.25 per hour effective May 1, 2011 and an additional \$0.25 effective May 1, 2012.

The member's monthly group insurance premium is not reflecting the actual claims costs and as a result the Welfare Fund can no longer sustain its current level of subsidy for the group insurance premiums.

Effective July 1, 2011, the monthly group insurance deduction from the member's Welfare bank and pay directs will be increasing \$20 per month for active premiums and \$5 per month for retirees. A summary of the new rates are as follows:

	Taken from Banked Welfare	Pay Direct (includes 8% RST)
Active premium	\$280.00	\$302.40
Retiree premium	\$105.00	\$113.40
Member extended premium		\$345.60

(A member will have to work 134 hours per month in order to cover their monthly premium at the new rate. Any welfare contributions received in excess of 134 hours will be added to a member's welfare bank balance.)

(over)

This increase also applies to those retirees who have their group insurance premium deducted from their monthly pension.

The claims experience will be reviewed on an annual basis by the Trustees to ensure that the group insurance premiums are in line with the actual claims experience. A detailed explanation of the welfare costs will be included in the next Pipewrench Newsletter.

Your Welfare Plan Trustees are very aware of the importance the group insurance benefits are for you and your dependants and want to continue to provide the best coverage at a cost that can be maintained by all of the membership.

Fraternally yours,

Leslie Ellerker
Chairman,
On behalf of the Board of Trustees