

# BOILERMAKERS' NATIONAL BENEFIT PLANS (CANADA)

NEWSLETTER

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## Announcement of Health & Welfare Plan Improvements

The Welfare Plan continues to be financially solid. The Trustees are pleased with the progress of the Welfare Fund. Still, it is the role of the Trustees to manage the Fund prudently and to consider Benefit Improvements only when the Improvements made can be long-lasting and can be sustained by the current and future assets of the Fund. After consideration of the current and future economic outlook, and the position of the Fund at its year end of December 31, 2006, the Board of Trustees is announcing Improvements to all Benefit Plans. These Improvements will be effective with eligible expenses incurred on/after July 1, 2007:

### *Improvement to Dental Benefit basis of payment (in Plans which include Dental Benefits)*

Eligible expenses for Dental Services incurred on/after July 1, 2007 will be paid in accordance with the **2006 Provincial Dental Fee Guides for General Practitioners and Specialists**. In Alberta, where no dental fee guide exists, the Plan will use a proxy guide developed in consultation with the insurance industry.

### *Improvement to reimbursement level for Professional Dispensing Fee for Prescription Drugs (in Plans which include Prescription Drug Benefits)*

Effective with eligible Prescription Drugs purchased on, or after, July 1, 2007, the **Maximum Professional Dispensing Fee reimbursement will be increased to \$9.50**. If the purchase is a compound Drug prepared by the Pharmacist, the full Professional Dispensing Fee is payable provided that Fee is reasonable and customary in the circumstances.

The July 1, 2007 Improvements cascade on the significant Improvements made to the Welfare Plan during 2006. As a quick reminder, the 2006 Benefit Improvements were:

### Active Members & Dependants

- ✓ Basis of payment for Dental Services improved to 2005 Provincial Dental Fee Guides;
- ✓ Inclusion of Massage Therapy (\$200 Maximum Annual Benefit with 50% co-insurance);
- ✓ Inclusion of Acupuncture (\$200 Maximum Annual Benefit with 50% co-insurance);
- ✓ Orthodontic coverage improved to \$2,000 Lifetime Maximum Benefit;
- ✓ Inclusion of Industrial Safety Glasses for Active Members (not Dependants). The Maximum Annual Benefit is \$250;
- ✓ Vision Care Benefit now includes one Retina Exam per calendar year. Reimbursement is based on the reasonable and customary practice;
- ✓ Coverage is included for services of a Homeopathic Doctor (\$200 Maximum Annual Benefit with 50% co-insurance);
- ✓ Coverage is included for Homeopathic Medicines when prescribed by a Medical Doctor (MD), Homeopathic Doctor (HD) or Naturopathic Doctor (ND) practicing within the scope of their license. Drugs must have a Drug Identification Number;
- ✓ Long Term Disability Benefits are continued beyond the Member's eligibility date for a Pension from the Boilermakers' National Pension Plan (Canada) provided the Member does not commence receipt of this Pension;
- ✓ Waiver of Premium Benefit for Life Insurance extended to Age 65 provided the Member does not recover, return to work or commence receipt of an Unreduced Pension from the Boilermakers' National Pension Plan (Canada);
- ✓ LTD payments may be made by direct deposit to the disabled Member's bank account;
- ✓ The Plan will pay for medical reports provided the Plan asked for them in connection with a disability benefit claim.

## Retired Members & Dependants

(recap of 2006 Benefit Improvements)

- ✓ Basis of payment for Dental Services improved to 2005 Fee Guide (for those Retiree Plans which include Dental coverage);
- ✓ Vision Care Benefit now includes one Retina Exam per calendar year. Reimbursement is based on the reasonable and customary practice;
- ✓ Plan now includes coverage for Homeopathic Medicines when prescribed by a Medical Doctor (MD), Homeopathic Doctor (HD) or Naturopathic Doctor (ND) practicing within the scope of their license. Drugs must have a Drug Identification Number;
- ✓ Orthodontic coverage improved to \$2,000 Lifetime Maximum Benefit. This Improvement applies only to the Active Member and Early Retiree Plans;
- ✓ Plan now includes coverage for services of a Homeopathic Doctor (\$200 Maximum Annual Benefit with 50% co-insurance). This Improvement applies only to the Active Member and Early Retiree Plans.

## APPEALING THE DENIAL OF A CLAIM

Even though the Health & Welfare Plan provides a generous range of Benefits, sometimes an expense may not be paid. You have the right to appeal the non-payment of any expense.

If you wish to appeal the non payment of an expense you must do so in writing and within 30 days of the payment, or denial. Your appeal must be sent to the Administration Office. Please ensure you explain fully why you think your claim should have been paid.

Please note that all claims are paid in accordance with the Plan's Rules which includes the Insurer's contract of insurance. You are always welcome to call the Administration Office, in advance of incurring an expense, if you wish to determine whether your purchase may be paid by the Plan.

### YOUR PLANS ON THE WEB

Please visit the Plans new Website at

[www.boilermakersbenefits.ca](http://www.boilermakersbenefits.ca)

24/7 you will find:

- ✓Downloadable claim forms
- ✓Downloadable pension applications
- ✓The Funds Annual Reports
- ✓Upcoming retirement education
- ✓Benefit booklets
- ✓Archive of Newsletters

## FUNDING FOR POST RETIREMENT BENEFITS

Discussion about post retirement benefits is everywhere in today's news. Many companies are terminating or reducing benefits for retirees because of the enormous future cost.

The Boilermakers' National Health & Welfare Plan (Canada) offers a variety of Benefits to Retired Members and their families including:

- ✓ Life Insurance
- ✓ Prescription Drugs
- ✓ Vision Care
- ✓ Dental Benefits
- ✓ Hospital
- ✓ Hearing Aids
- ✓ Nursing Care

In most cases these Benefits are subsidized by the Welfare Fund. Thus it is highly important to understand the future cost of providing subsidized Retiree Benefits. During 2006 the Plan's Actuary performed a study to determine the estimated future cost of the current Retired Member Benefits. Even after recognizing that the Retired Members do share in the cost of their Benefits, the expected future cost of providing today's Retirees with Benefits into the future was \$41.9 Million.

The Trustees have decided to establish a Reserve to fund for the future cost of providing Benefits to Retirees. The funding for the Reserve for Future Retiree Benefits has been taken from the Fund's Benefit Stabilization Reserve. The initial deposit into the new Reserve was \$15 Million. There will be an actuarial study completed every three years to keep the Trustees abreast of this cost. Where possible, based on the annual financial performance of the Welfare Fund, the Trustees have resolved to increase the amount deposited into this Reserve.

The Trustees will be reviewing the subsidy of Retired Member Benefits during 2008 and will announce any changes to the payment/subsidy structure in mid-2008.

We are committed to keeping you informed about the Benefit Plans and invite you to ask questions. Please direct your questions to the Benefit Plan Administration Office. You will be given complete and accurate answers to your questions.

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