

BOILERMAKERS' NATIONAL BENEFIT PLANS (CANADA)

NEWSLETTER

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Winter 2007

Pension Plan Registration Number 366708 (CRA)
Alberta Finance: 46433

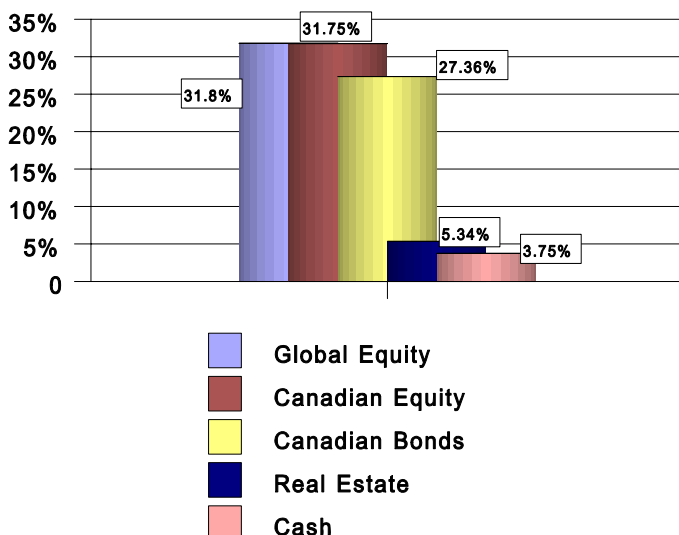
Pension Plan Return 10.9% for 2006

The Boilermakers' National Pension Fund (Canada) earned a return on its investments of 10.92% for 2006. This is above the 7% actuarial assumption for the Fund and so, on a going concern basis, the health of the Pension Fund improved during 2006. Unfortunately, from a solvency perspective (which as Members know is the focus of pension regulators), the interest rates prescribed for solvency valuations have declined. Declining interest rates detract from the health of a pension fund and so it is very likely the Plan's solvency position will be worse than it was at the end of 2005.

In 2006, the Trustees applied for solvency relief with Alberta Finance, the Plan's regulator since July 1, 2006. So far the regulator has not confirmed that solvency relief has been given.

At the end of 2006 the Pension Fund's assets were invested with professional investment managers in the following asset classes:

Pension Fund Asset Mix - December 2006

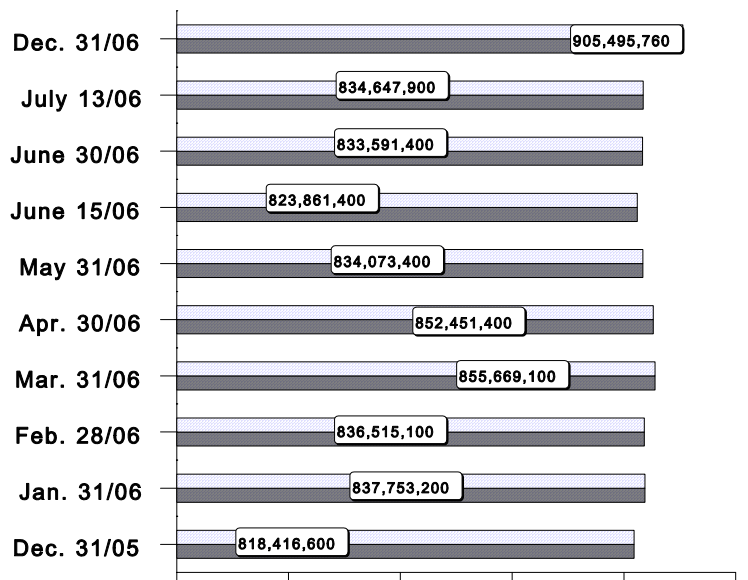


History of Pension Fund Returns 1995 -2006

The Fund's rate of return earned over the 12 years ended December 31, 2006 was 9.14%. It was 8.15% for the 10 years ended December 31, 2006 and 7.9% for the 5 years ended December 31, 2006.

<i>Year</i>	<i>Annual Return</i>	<i>Year</i>	<i>Annual Return</i>
1995	16.20%	2001	-2.19%
1996	12.04%	2002	-6.30%
1997	13.80%	2003	15.49%
1998	16.04%	2004	10.10%
1999	10.48%	2005	9.15%
2000	4.00%	2006	10.92%

The Table below shows how the Pension Fund's assets changed during 2006. The market value of the Fund's assets at December 31, 2006 is \$905,495,760.



boilermakersbenefits.ca

Plans' Web Site Launched

Please visit boilermakersbenefits.ca and add it to your "favorites". This site will be continuously updated with the latest on the Plans' benefits. Here you will find benefit plan claim forms, pension applications, newsletters and other documents governing the Plans.

Collective Agreement Amended to extend Pension and Welfare Plan participation

The Collective Agreement between the Union and the Boilermaker Contractors' Association (BCA) has been amended. The effect of the amendment is that Union Members who are working, or continue to work, for Contributing Employers may continue participating in the Pension and Welfare Plans even if they have surpassed the rank of General Foreman (or Foreman if working under EPSCA). Certain conditions must be met. The conditions are all described on the Participation Agreements governing the amendment to the Collective Agreement. The Member and the Employer are required to complete the Participation Agreement.

Union Members who are currently working above the level of General Foreman (or Foreman for EPSCA) must submit the completed [Transition Participation Agreement](#) to the Benefit Office no later than February 28, 2007.

For Members who, in the future, accept positions above the rank of General Foreman (or Foreman for EPSCA) must submit the completed [Participation Agreement](#) to the Benefit Office within 30 days of taking that position.

Continued Participation in the Plans will not be permitted without a completed Participation Agreement.

To obtain the Participation Agreement go to www.boilermakersbenefits.ca. Click into Newsroom and then Benefit Plans' Winter 2007 Newsletter.

Please note that Members must follow all of the Plans' benefit eligibility rules including vesting rules in the Pension Plan.

Please call the Benefit Office if you need assistance.

ReCap of Benefit Improvements Made during 2006

July 1, 2006 Improvements

1. Dental Services paid on the basis of the 2005 provincial dental fee guides (or its proxy);
2. Lifetime Maximum Benefit for Orthodontic Services increased to \$2,000;
3. Long Term Disability Benefits extended to age 65 unless the Member draws a Pension from the Boilermakers' National Pension Plan (Canada);
4. The Waiver of Premium Benefit for Life Insurance extended to reflect that the termination age for Long Term Disability Benefits is age 65 unless the Member recovers or if the Member draws a Pension from the Boilermakers' National Pension Plan (Canada) earlier than age 65;
5. One Retina Exam per year is covered under the Welfare Plan;
6. Preferred Vision Services (PVS) added to extend the Members' purchasing power for vision care;
7. Services of a Homeopathic Doctor (HD) covered up to a maximum of \$200 per calendar year;
8. Homeopathic Medicines are covered when prescribed by a Medical Doctor (MD), Homeopathic Doctor (HD) or Naturopathic Doctor (ND) practicing within the scope of their license. These Medicines must have a DIN (Drug Identification Number). Advance approval of these Medicines is strongly recommended. Please call the Benefit Office for approval before you purchase;
9. Direct Deposit added to facilitate payment of Long Term Disability benefits;
10. The cost of requested medical reports for disability benefits will be reimbursed.

November 1, 2006 Improvements

1. Industrial Safety Glasses coverage added for Active Members. The Plan will cover one pair of Industrial Safety Glasses with a Maximum Annual Benefit of \$250;
2. Massage Therapy coverage added for Active Members and their Dependents. The Maximum Annual Benefit is \$200.00 and Members pay 50% of the expense. Coverage is not provided if the disability being treated is related to a motor vehicle accident;
3. Acupuncture coverage added for Active Members and their Dependents. The Maximum Annual Benefit is \$200.00. Members pay 50% of the expense. Coverage is not provided if the disability being treated is related to a motor vehicle accident.