

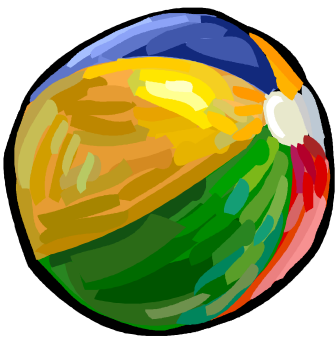
# Alberta Sheet Metal Workers' Retirement Trust Fund

The Soldering Iron: July 2009

Alberta Sheet Metal Workers' Retirement Trust Fund  
4990 93 Avenue  
Edmonton AB T6B 2L6

Phone: 780-466-1999  
Fax: 780-466-2095  
Toll-Free: 1-800-642-3881 (AB Only)  
www.absheetmetalpension.com

Regular Office Hours:  
8:30 a.m. to 12 Noon and  
1:00 p.m. to 4:30 p.m.  
Monday to Friday



Summer

## Plan Performance

As of June 30, 2009

Plan assets: **\$143,051,258**  
(market value)

Rate of return:

1-year: **.23 %**

4-year (avg): **4.08 %**

# THE SOLDERING IRON

## Valuation Results

The Board of Trustees received the actuarial valuation as of December 31, 2008. The valuation measures the cost of all liabilities (promised benefits) to determine if the fund assets are enough to cover all liabilities. We are pleased to report that the Fund has sufficient assets to cover all benefits promised to and for 2008.

Three distinct calculations are performed for the valuation - Going Concern, Solvency, and Current Service Cost.

1. **Going Concern Financial Position**—This calculation assumes the Plan will continue to infinity receiving contributions and paying pension to retirees, along with all other ancillary benefits. The Actuary uses assumptions that conform with the Canadian Institute of Actuaries regarding demographics, mortality, interest rates, and other factors.
2. **Solvency Financial Position**—This calculation assumes the Plan was wound up on the date of the valuation. Legislation requires this calculation to determine if the fund is financially sound at that snap shot point in time. The Actuary uses assumptions that must reflect market conditions as at the date of the valuation and reduces the assets by an estimate of the expenses related to winding up the Plan.

The **December 31, 2008** Valuation Reported these two calculations as follows:

	Going Concern	Solvency
Fund Assets	\$140,427,000	\$139,577,000
Fund Liabilities	\$136,952,000	\$136,525,000
Funding Excess (Or Deficiency)	\$ 3,475,000	\$ 3,052,000
Funding Ratio	102.5%	102.2%

Although the plan has experienced a reduction from the last valuation, your Plan is still fully funded. A relief considering the market crisis and knowing that so many plans currently suffer a deficit.

*Cont'd on page 3 ....*

## Provincial Collective Agreements Pension Contribution Rates

The Agreements provide that the Contractors submit pension plan contributions on your behalf effective May 4, 2009 as follows:

<b>Commercial Sheet Metal Workers:</b>	<b>\$3.70 / Worked Hour</b>	<i>If you work for an Employer with an Individual Agreement the rate per hour paid on your behalf may differ from these standard agreement rates.</i>
<b>Commercial Sheeters &amp; Deckers:</b>	<b>\$3.70 / Worked Hour</b>	
<b>Industrial Sheet Metal Workers:</b>	<b>\$4.75 / Earned Hour</b>	
<b>Industrial Sheeters &amp; Deckers:</b>	<b>\$4.90 / Earned Hour</b>	

All hours received are converted to the Standard Contribution Rate [SCR] of **\$4.25 per hour** (less 1% to the Funeral Benefit Plan) and you **earn 4.14 cents for each SCR hour**.

In 2009, if you work **2,100** hours in a year, at the same rate of:

- ↪ **\$3.70 / hr** you earn **\$74.93** per month lifetime pension -Your Employer(s) would pay \$7,770.00 on your behalf
- ↪ **\$4.75 / hr** you earn **\$96.21** per month lifetime pension -Your Employer(s) would pay \$9,975.00 on your behalf
- ↪ **\$4.90 / hr** you earn **\$99.24** per month lifetime pension -Your Employer(s) would pay \$10,290.00 on your behalf

### For comparison purposes:

In **2010**, all hours received will be converted to the Standard Contribution Rate [SCR] of **\$4.50 per hour** (less 1% to the Funeral Benefit Plan) and you **earn 4.14 cents for each SCR hour**.

In 2010, if you work **2,100** hours in a year, at the same rate of:

- ↪ **\$3.70 / hr** you earn **\$70.79** per month lifetime pension -Your Employer(s) would pay \$7,770.00 on your behalf
- ↪ **\$4.75 / hr** you earn **\$90.87** per month lifetime pension -Your Employer(s) would pay \$9,975.00 on your behalf
- ↪ **\$4.90 / hr** you earn **\$93.73** per month lifetime pension -Your Employer(s) would pay \$10,290.00 on your behalf

The Agreements provide contribution rate increases effective May 2, 2010; the rate will be as follows:

<b>Commercial Sheet Metal Workers:</b>	<b>\$4.00 / Worked Hour</b>
<b>Commercial Sheeters &amp; Deckers:</b>	<b>\$4.00 / Worked Hour</b>
<b>Industrial Sheet Metal Workers:</b>	<b>\$5.00 / Earned Hour</b>
<b>Industrial Sheeters &amp; Deckers:</b>	<b>\$5.00 / Earned Hour</b>

This will, of course, increase the benefit earned accordingly. If we assume the plan receives 700 hours at the old rate and 1400 hours at the new rate, to total 2100 hours, in 2010, your benefit earned will be:

- ↪ **\$3.70 & \$4.00 hr** you earn **\$74.60** per month lifetime pension -Your Employer(s) would pay \$8,190.00
- ↪ **\$4.75 & \$5.00 hr** you earn **\$94.06** per month lifetime pension -Your Employer(s) would pay \$10,325.00
- ↪ **\$4.90 & \$5.00 hr** you earn **\$95.01** per month lifetime pension -Your Employer(s) would pay \$10,430.00

Lifetime Pension is payable **unreduced** at age 60 and a **supplementary pension is also earned equal to 50%** of the lifetime pension. Supplementary pension is **paid until age 65**. You can retire as early as age 55 however at a reduced amount and **no** supplementary pension is earned. If you retire at age 57 or later the reduction is 3% per year (maximum of 9%); reduction to supplementary pension is also 3% per year.

**NOTE:** Earned Hours - If you work industrial, one double time hour is paid and processed as two hours.

## Valuation Results . . . . *continued from front page*

3. Current Service Cost—The third calculation is the average cost per hour to provide “future” earned benefits to all **active** Plan Members who currently have employer contributions submitted to the fund on their behalf. The December 31, 2008 Valuation reported this calculation as follows:

	<u>2008</u>	<u>2007</u>
Total Current Service Cost:	\$5,991,000	\$4,971,000
Divided by Assumed SCR Hours for the year:	1,335,700	1,084,900
Average Cost per SCR Hour:	\$4.49	\$4.58
Standard Contribution Rate:	\$4.25	\$4.25
Contribution Shortfall:	\$0.24	\$0.33

The shortfall has reduced 9 cents from 2007. The reduction is due to more young members joining the Plan, however, because of low interest rates a shortfall still exists [the lower the interest rate the more it costs to provide future benefits]. This 24 cent shortfall will drain the pension fund of \$1,019,900 over the next three years. With the market volatility, the Board has made the decision not to drain the existing assets which are currently sufficient to meet the already promised benefits. Therefore, effective January 1, 2010, the Standard Contribution Rate will increase to \$4.50 per hour. This will reduce that drain on the fund from over \$1 million to \$320,600.

During 2009, the fund will continue to subsidize the Active Plan Members by 24 cents for each Standard Contribution Rate Hour.

We must commend the Board of Trustees for the conservative investment policy and the Investment Managers, Phillips, Hager & North for their astute actions in managing the fund. The fact that we can say our Pension Plan is fully funded is astounding after what has been the most turbulent financial times many of us have ever experienced.

### In Remembrance...

*On behalf of the Board of Trustees, Administration Staff and the Plan Membership, we extend sincere condolences to the families of ~*

Donald Adams	Farren Bailey	Donna Barels	Emile Bosse
Jacob Braun	Ernest Chimko	Ruth Collier	Raymond Cote
Clifford Craig	Walter Dyck	Leonard Furman	Steven Gale
Wayne Grozell	Clifford Helmer	Gary Kraft	Frank Krampfl
John Martens	Patrick Martin	Peter Mastel	Ian Mueller
William Nixon	Charles Raynard	Franki Tressel	Ella Vrkljan
Louise Whitford	Douglas Woodward		

## Local 8 Election:

Local Union #8 recently held an election.

Current **Full-Time Officers of Local 8** are:

Doug Worobetz, Business Manager  
 Dan Palmerchuk, Business Representative, North  
 Peter Wyatt, Business Representative, South

Your current **Joint Board of Trustees** are:

John Jackson, Union Trustee  
 Garry Melcosky, Union Trustee  
 Rick Crothers, Union Trustee  
 Dean Brayer, Employer Trustee  
 Don Grundy, Employer Trustee  
 Darcy Weavers, Employer Trustee  
 Eric Arctander, Pensioner Trustee  
 Joe Tymkow, Pensioner Trustee

## The Pension Planner

Statistics as at June 30, 2009:

### Membership

	Total	Average Age
Active Members*	1,306	38.01
Inactive Members	995	49.75
Pensioners / Survivors	1,000	66.39
<b>Total</b>	<b>3,301</b>	

\*of which 906 had over 100 hours reported in 2009 to date (69 % substantially employed)

### Hours of Contribution

Jan to June 30/08: 692,772  
 Jan to June 30/09: 798,985

### 2009 Contribution Rates Received To Date:

\$0.26/hour	\$3.85/hour
\$1.50/hour	\$3.95/hour
\$1.55/hour	\$4.00/hour
\$1.66/hour	\$4.15/hour
\$1.75/hour	\$4.25/hour
\$1.85/hour	\$4.50/hour
\$2.24/hour	\$4.70/hour
\$2.41/hour	\$4.75/hour
\$2.50/hour	\$4.90/hour
\$2.61/hour	\$5.28/hour
\$2.95/hour	\$5.54/hour
\$3.15/hour	\$5.88/hour
\$3.45/hour	\$6.00/hour
\$3.70/hour	\$6.50/hour

## Reciprocal Agreements:

If you know of anyone belonging to another Sheet Metal Local Union within Canada, or with another jurisdiction, working on a temporary basis through Local 8, a Reciprocal Agreement may exist with their home pension plan. If so, they should apply to have their contributions re-directed to their home pension plan.

The current reciprocal agreements between this Pension Plan and other plans are:

### Sheet Metal:

*Local 30 (Toronto, Ontario)*

*Local 512 (St John's, Nfld)*

*Local 47 (Ottawa)*

*Local 539 (Sarnia, Ontario)*

*Local 56 (Nova Scotia)*

**Pending**—*Local 504 (Sudbury, Ontario)*

*Local 116 (Quebec)*

### Other Trade Jurisdictions:

*Local 235 (Windsor, Ontario)*

*Asbestos Workers, Local 110, Alberta*

*Local 276 (Victoria)*

*Boilermaker's National Pension Plan*

*Local 280 (British Columbia)*

*Ironworkers, Local 97, B.C.*

*Local 285 (Toronto, Ontario)*

*Ironworkers, Local 720, Alberta*

*Local 296 (Saskatoon)*

*Ironworkers, Local 764, Ontario*

*Local 397 (Thunder Bay, Ontario)*

*Plumbers, Local 170, B.C.*

*Local 409 (Halifax)*

*Plumbers, Local 488, Edmonton*

*Local 437 ( Saint John, New Brunswick)*

*Heat & Frost, Local 131 (Saint John, NB)*

*Local 511 (Winnipeg)*

