



PLAN UPDATE

RATE INCREASES

The Trustees of the CMAW Benefit Plan are pleased to present this report to Convention. Read this report for an update on the Benefit Plan.

The following were effective July 1, 2024:

- Expected Contribution rate: 4% increase to \$2.60/hour
- Self-pay rate: 4% increase to \$332.58/month
- Retiree Benefit Plan monthly premiums: 2.5% increase to \$125 for singles and \$235 for couples

The decision to increase rates and premiums is never made lightly. The Board of Trustees prioritizes the Plan's long-term stability and high level of benefit coverage. Supporting the ongoing health of the Plan means balancing costs, contributions, and coverage; rising expenditures, unfortunately, must be offset by expected contribution and premium increases.

CMAW BENEFIT PLAN CONVENTION REPORT

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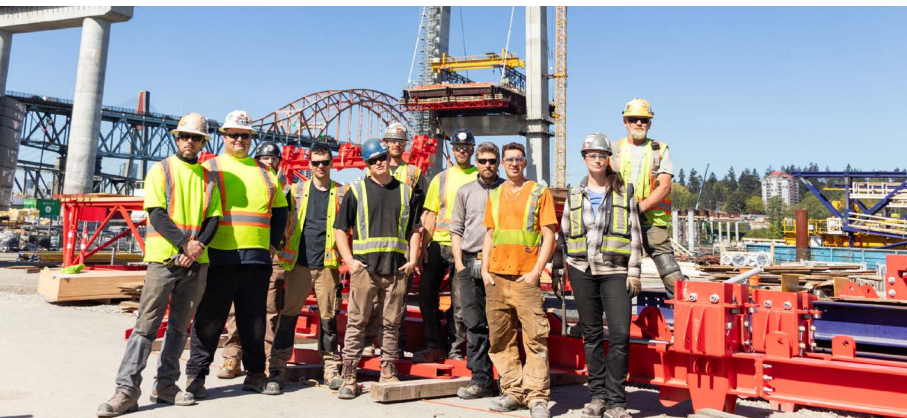
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FINANCIAL SNAPSHOT

	2023	2022
Revenue		
Contributions	\$11,644,114	\$9,932,387
Investment income	\$563,897	\$677,413
Unrealized gains/(losses) on investments	\$224,484	\$(1,329,286)
Total Revenue	\$12,432,495	\$9,280,514
Expenditures		
Total Benefit Costs	\$10,650,319	\$10,304,921
Retroactive LTD Premium refund		\$(1,826,208)
Increase/(Decrease) in Hour bank reserve	\$1,964,684	\$(266,600)
Plan Administration Expenses	\$584,523	\$547,606
Total Expenditures	\$13,199,526	\$8,759,719
Revenue over Expenditures	\$(767,031)	\$520,795
Net Assets Available for Benefits at End of Year	\$6,355,843	\$7,122,874

For the fiscal year ending June 30, 2023, Employer Contributions increased by 17% over the prior year. For the same period, claims and premiums paid increased by approximately 4%.

Hour Bank Liabilities represent the estimated cost of coverage for the hours accumulated in members' hour banks. Increases in this liability are due to an increase in the number of hours worked as well as higher estimated costs of claims.



TRUSTEE CHANGES

Andrew Brown from Vancouver Island replaced **Paul Nedelec** to complete the transition to regional representation on the CBP Board.

We'd like to extend a warm welcome to Andrew, and thank Paul for his many years of service and dedication to members.

PLAN COMMUNICATIONS

To improve the Plan's member communications, the Board of Trustees has employed the services of Battersby Communications, a communications consultant with over a decade of experience in the pension and benefits industry.

Battersby Communications works with the Trustees, Plan Administrator and Actuary to produce all Plan member communications, such as newsletters, reports, posters and more.

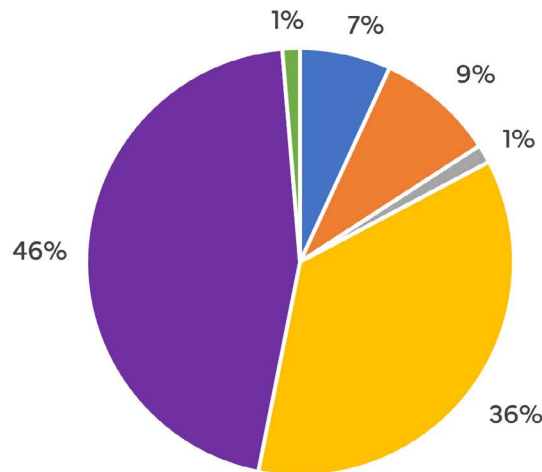
RISING EXPENDITURES

CLAIM COSTS KEEP RISING

The Plan continues to experience rising claims costs. This can be attributed to:

- Continued higher-than-expected increases to the Dental Fee Guides used by dentists to set their pricing.
- Continued shift towards more paramedical utilization and increased cost of paramedical services.
- Increased utilization of paramedical services by spouses and dependent children.
- Increased prescription drug costs due to:
 - increased utilization of Ozempic
 - increases in medications for mental health conditions due to increases in the number of members being diagnosed with these conditions.
 - increased utilization of medications for dermatological related claims.
- Higher general inflation which directly impacts health and dental rates of inflation.

DISTRIBUTION OF BENEFIT PAYMENTS



- Life Insurance & AD&D
- Long Term Disability
- Weekly Indemnity
- Dental
- Extended Health
- Ancillary Benefits

EMPLOYER PAID PENSION CONTRIBUTION ALLOCATION

FOR RETIREES

Effective January 1, 2024 and as a result of the federal government passing of Bill C-30, for members returning to work after retirement and active members over age 71, employer-paid pension contributions are now reallocated to fund their future CMAW Retiree Benefit Plan monthly premiums. Once their active plan hour bank becomes depleted, members only need to pay monthly Retiree Benefit Plan premiums when these contributions have been exhausted.

Also, if members don't qualify for membership in the Retiree Benefit Plan and return to work following retirement, they are now able to participate in the Plan for as long as their allocated employer-paid pension contributions can be used to pay Retiree Benefit Plan premiums. In this case, members still will not be eligible to participate in the Retiree Benefit Plan on a self-pay basis.

BOARD OF TRUSTEES

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FUTURE OUTLOOK

LOOKING FORWARD

Over the course of the past 18 months, CMAW Canada and Participating Locals have worked closely with the CBP Trustees to focus on collectively bargaining meaningful allocations to hourly employer CBP rates. At each Board meeting, the Trustees receive updates on claims experience and review both the current and estimated financial position of the Plan.

Through the work of the Plan's advisory team, we anticipate that future benefit costs will continue to rise due to the impact of new technologies, the development of life changing medications and the general economic environment.

With this information from the Trustees, CMAW Canada and the Participating Locals have worked hard to increase the CBP contributions paid by Employers. Ultimately, the aim of these negotiations is to bargain sufficient contributions to cover the cost of claims payments and related expenses without drawing down reserve funds.