



Article: XIX

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Subject: LONG TERM DISABILITY

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Text:

ARTICLE XIX – LONG TERM DISABILITY

Effective July 1st, 1982, a Long Term Disability Plan be provided based on the following general principles:

- a) The Plan to become effective July 1st, 1982.
- b) Effective the first of the month following ratification of the 2018 to 2023 Collective Agreement, contributions from the Employer and the Employee to the Plan will be reduced from \$1.20 per Employee per hour worked (60 cents per hour from the Employee and 60 cents per hour from the Employer) to 76 cents per Employee per hour worked (38 cents per hour from the Employee and 38 cents per hour from the Employer).

The Plan Actuary will update the Board of Trustees on the estimated financial position of the Plan as a standing agenda item every Board meeting. Effective the first of the month following the Board meeting where the Plan Actuary estimates the Plan is at or below a 120% funded ratio, the contributions to the Plan will be adjusted to a level so as to maintain the 120% funded ratio position (using the same methodology as used to determine the 172% as of September 30, 2017 valuation).

The maximum total contribution rate will be a total of \$1.20, split 50/50 between Employer and Employee.

- c) Effective July 1, 2004, Employees who become disabled on or after July 1, 2004, shall be eligible to apply for LTD benefits after a 26 week qualifying period.
- d) A Board of Trustees will be constituted with equal representation from the Union and the Industry, to be responsible for establishing the terms of the Plan and the on-going administration.
- e) The Trustees will select a qualified actuary to assist them and to ensure the establishment of actuarially sound reserves to fund the benefits provided by the Plan.
- f) The Trustees will enter into a Trust Agreement which will include provision for a procedure to settle any major dispute that may arise with regard to the provisions of the Plan.
- g) **Protection Against Withdrawals**
Withdrawing employer to be assessed for both the employer and employee share of the unfunded liability in cases of negotiated withdrawal, decertification or relocation closure. The unfunded liability formula to be uniform and based on the Plan's unfunded liability divided by the total number of Plan members (at the time of the most recent Plan Valuation) multiplied by the number of Plan members affected by the withdrawal. The Plan Trustees are to be directed to amend the participation agreement accordingly.



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Guidelines:

ARTICLE XIX – LONG TERM DISABILITY

CONIFER is a settlor to the original IWA-Forest Industry LTD Plan Trust Agreement and is responsible for appointing one of four employer appointed trustees. The IWA Forest Industry Long Term Disability (LTD) Plan is designed to provide a monthly income for eligible employees in the industry who are unable to work because of continuing disability. The disability could originate from either work related or non-work related reasons. The amount of the benefit is reduced by any other disability income received.

LTD Benefits are available to eligible claimants until age 60. Effective June 2020, the Trustees of the Plan amended the Plan Text to provide for LTD Benefits for up to one-year duration in the event of disability beyond age 60 up to age 65. The current (in effect in August 2025) LTD benefit level is \$3000 per month.

The 2003 to 2009 Collective Agreement included an amendment to provide for eligibility for LTD benefits after twenty-six (26) weeks of disability.

Sub-section g) was designed to protect the plan from withdrawals. In cases of negotiated withdrawals, decertification, or closure, the withdrawing employer will be assessed for both the employer and employee share of associated unfunded liability to the plan.

The result of the 1997 negotiations led to direction to the Plan trustees to develop Plan modifications to:

- i) improve the timeliness, effectiveness and quality of rehabilitation from the Plan
- ii) provide incentives to employers and local unions to establish Disability Management systems at the operations level.

Activity has followed in accordance with these objectives.



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Negotiations resulting in the 2018-2023 collective agreement included an amendment to the LTD Plan contribution rate. More specifically, a reduction from the former \$1.20/hour (split 50/50 between employer and employee) to \$.76/hour (split 50/50 between employer and employee) took effect the first of the month following ratification of the 2018 to 2023 collective agreement. The second paragraph under "b" above, as outlined, provides for a catalyst to alter the contribution rate upwards if the financial health of the Plan deteriorates below a 120% funded ratio. The Plan actuary will be engaged to monitor the financial status of the Plan for this purpose. The maximum contribution rate is \$1.20/hour (split 50/50 between employer and employee).

The Administration of the Plan is governed by a board of eight (8) Trustees with equal representation from the union and employers.

Specific questions regarding contributions, LTD issues, or claims can be directed to the IWA-Forest Industry Pension/LTD Office at 1 (800) 663-4384 or 1 (604) 433-6310. The Plan office also provides a reference booklet for employees and employers. Further information can also be found on the Plan office website at: www.iwafibp.ca