

BUILDING YOUR TRUST

Introducing your new USW 8782 Retiree Benefits Trust

It would be great to have your email address! To help us communicate with you, simply send us a quick email with your name to info@8782retireebenefitstrust.ca. We assure you that we won't share your email with anyone else, or waste your time with frivolous messages.

September, 2017

Dear USW 8782 retiree:

We all understand the importance of comprehensive benefits coverage – especially during times of economic uncertainty. With that in mind, we are pleased to confirm that your USW 8782 Retiree Benefits Trust (the “Trust”) will be formally launched **effective October 1, 2017**.

Following Stelco's emergence from insolvency, agreements have been reached which include the creation of a new Trust for Local 8782 members only. As an eligible USW Local 8782 Lake Erie Works retiree, your benefits will now be paid from the all-new Trust – and that's a very positive thing. You'll have the same benefit coverage you used to have, plus a few enhancements.

As newly appointed Trustees, it is our job to ensure that the new 8782 Retiree Benefits Trust is managed effectively on behalf of all plan members. It is an obligation that we take very seriously. Part of that responsibility involves keeping you and the other members of the Trust well informed.

Get the information you need – and submit claims by October 1

- We encourage you to read all the enclosed information carefully to understand how your new Trust works.
- Make sure you submit recent claims soon! **Any claims from July 1 to September 30, 2017 must be submitted by October 1.** If submitted later, they may be declined and need to be re-assessed because of the Green Shield system changes required for the new Trust. See Next Steps on the back page of the enclosed bulletin.
- Your new Green Shield Canada (GSC) benefits card is part of this package. Please:
 1. Check that you and any dependants are listed properly on the page.
 2. Make sure you **put your new benefits card in your wallet** right away.

Starting October 1, you'll need to take your new benefits card to your pharmacy, dentist, optometrist, etc. to make sure the plan information they have on file for you is up-to-date.

- For your ongoing reference, there's a special Trust website at 8782retireebenefitstrust.ca, where you can access your benefits plan information at any time, day or night.

We look forward to serving as your Trustees!

Sincerely,



Bill Ferguson and Mark Talbot
Interim Trustees



BUILDING YOUR TRUST: PROTECTING YOUR INTERESTS



Welcome to your USW 8782 Retiree Benefits Trust!

Basically, the new Trust is an arrangement where Stelco is responsible for providing a guaranteed amount of funding for your benefits each year, but the Trust has control over the management and administration of your plan.

This innovative new Trust – officially called the USW Local 8782 ELHT (an Employee Life and Health Trust) – will help to ensure that you and your beneficiaries have continued access to your medical, dental and life insurance coverage. Same benefits, different arrangement.

This bulletin should help you understand how the Trust works – and how it protects your financial interests.

Specifically, it answers a number of questions we expect you may have. It also:

- introduces the new Trust website at 8782retireebenefitstrust.ca;
- provides contact information for the benefits plan provider and administrator; and
- tells you where you can get additional information.

We encourage you to read this information carefully. If you have additional questions, please send them to info@8782retireebenefitstrust.ca, or call one of the key contacts listed on page 4 of this bulletin.

We are all about open and honest communication. The better you understand how your Trust works, the better it will work for you.



Q&A

QUESTIONS & ANSWERS

▲ What is a Trust?

In simplest terms, it's a legal agreement that ensures there is money set aside for the sole purpose of providing retiree health care and life insurance benefits for eligible plan members. True to its name, an Employee Life and Health Trust – like the new USW 8782 Retiree Benefits Trust – has been established exclusively to fund the medical, dental and life insurance benefits for eligible retired Local 8782 members and their covered dependants.

Under current law, money contributed to the Trust can only be used to provide the designated benefits to eligible plan members. It can't be withdrawn by Stelco, or anyone else for that matter – or used to cover the cost of anything other than the approved designated benefit payments and reasonable expenses associated with the management and administration of the Trust.

▲ Why was the new Trust introduced?

The Trust was created as a result of the insolvency proceedings of Stelco and the subsequent purchase by Bedrock Industries Incorporated. In order to ensure the sale and ongoing operations of Stelco, an alternative funding arrangement was needed to reinstate some or all of the members' retiree benefit plans. All retired members of Stelco were affected, not only Local 8782 members. Your new Trust is part of a collection of complicated agreements between the government, Bedrock Industries, USW Local 8782 and 1005, the non-union employees and other key stakeholders.

▲ Why couldn't Stelco just continue to cover our benefits?

In the end, deciding to establish three separate Trusts – one being your USW 8782 Retiree Benefits Trust – was the best solution for everyone involved, and allowed all interested parties to come to an agreement on how to proceed with the purchase of Stelco. And now the Trust ensures that your benefits are funded annually as per the contractual agreements.

▲ How much money is there in the Trust?

Following extended negotiations, Stelco has agreed to provide annual funding, currently \$4 million, to cover/reinstate the benefits coverage that was in place before October 2015. The agreed upon amount was deemed appropriate to cover the expected cost of potential benefit claims under the plan. All administrative costs incurred to manage the plan will also be covered by the company.

▲ Can we approach Stelco for more money if needed in the future?

Yes. Traditionally, benefits would be re-negotiated through collective bargaining at every collective agreement. However, as part of the Trust agreements, the Bargaining Committee was able to secure a 10-year funding agreement where, if the cost of the benefit plan or administration expenses are higher than expected, the additional costs are to be covered by Stelco. After the 10-year agreement, benefits will be re-negotiated at collective bargaining just like any other employee benefit or compensation.



▲ How long will the Trust last?

Ideally, the Trust will continue to provide comparable benefits coverage until the last surviving member makes their last claim.

In reality, the Trust will remain active as long as there is money in it and Stelco is able to meet its annual funding commitments. It's the Trustees' job to see that the money in the Trust is invested and spent appropriately – in a best effort to ensure that the Trust remains active for as long as members are making claims.

▲ Are my benefits changing?

Yes, and for the better! One of the main reasons for introducing a Trust was to keep your benefits essentially unchanged – that is, to ensure that the coverage you enjoyed prior to October 2015 is restored. However, during the insolvency proceedings, Local 8782 was able to negotiate three benefit improvements that we think you will appreciate.

1. **The healthcare expense lifetime maximum** – if a member's lifetime health care expenses exceed \$70,000 (the current lifetime maximum), the additional costs over \$70,000 will be covered.
2. **Out-of-country coverage** – after being terminated in 2013, coverage has been added back to the plan as part of the Trust. See plan details at 8782retireebenefitstrust.ca.
3. **Retiree plan for 8782(b) or Pickle Line members** – historically the Pickle Line members had a different retiree benefit plan than the rest of Local 8782 members. Now, unless grandfathered under the old eligibility provisions, eligible Pickle Line members will be eligible to retire and receive the same benefit plan as the other Local 8782 members.

It is possible that your benefits could change at some point in the future – either in response to regulatory or legislative changes. Needless to say, any required changes would be communicated to all members.

▲ Are our insurers changing?

No. For now, your benefits providers will stay the same, and so will the process for submitting health, dental and life insurance claims. Green Shield Canada will continue to cover your extended medical and dental benefits, and Desjardins will continue to provide your life insurance coverage. What is new is that your out-of-country coverage will be provided by Royal and Sun Alliance (RSA).

Other than that, the only real difference is that there will be new policy numbers for the Trust. You'll soon receive a new benefits card and all the other information you'll need (including how to submit out-of-country coverage claim). You can also get details at 8782retireebenefitstrust.ca.

▲ Who will administer the benefits?

The day-to-day administration of your benefits will now be handled by Terry Barnard at USW 8782. Terry's contact information is on the back page. From now on, please contact Terry directly for general questions, to report an address change, or to update your dependant/beneficiary information.

▲ Are my dependants still covered under the Trust?

Yes. The same definition of dependant applies under the Trust as it did before.

▲ Are there any tax implications to me for the change in policyholder to the trust?

No. Nothing changes from a tax perspective. Any benefits that were taxable before the October 1, 2017 change will still be taxable (e.g. life insurance or healthcare benefits for Quebec residents). Benefits that were non-taxable will still be non-taxable (e.g. healthcare for non-Quebec residents).

▲ How will I receive communication about the Trust and my benefits?

The new website will serve as your central source for benefits information, including plan descriptions. The intent is to provide you with a summary member report each year.

Any significant or timely news – such as new legislation or government regulations that impact the Trust or your benefits – will be communicated to all members, as appropriate.

You can submit your questions through the website or call one of the contacts listed on the back page of this bulletin. We'll keep you informed, but won't spend Trust money on unnecessary communication.

HOW CAN I HELP?

This is your Trust. Its future financial health depends, in many respects, on the decisions that you and the other members make. While the funding should cover all future benefit claims and administrative expenses, it's always better to be safe than sorry.

For starters, we encourage you to make informed benefit purchases and to spend only what's necessary. If the actual spending on the plan is less than the agreed upon funding, the money contributed into the Trust will remain there and the excess can be used in the future when the reverse may be true or when funding is less secure.

Bottom line: the more we claim as a group, the more the insurance company will charge the Trust to provide ongoing coverage. Also, given that regular expenses are paid directly from the Trust, we encourage you to provide your email address, so that we can minimize print and mailing costs in the future.

NEXT STEPS

There are a few important next steps for you to take to ensure a smooth transition to your new plan.

1. **Submit recent claims by October 1, 2017.** If you have any claims from July 1 to September 30, 2017, they must be submitted by October 1 or they may be declined because of GSC’s system changes for the Trust. If you have a claim declined, contact your administrator, Terry Barnard, who will have GSC re-assess them.
2. **Review the enclosed GSC information** to ensure you know how to file claims, and take full advantage of their member services.
3. **Check your enclosed benefits card page** to make sure you and all your dependants are listed. Contact Terry Barnard for any changes.
4. **Fill out the enclosed Desjardins “Beneficiary designation or change form”** and use the envelope provided to mail it to Terry Barnard.
NOTE: Your I.D. or certificate number is the same as the one on your benefits card, without the “LEW” at the beginning.
5. **Put your new benefits card in your wallet.** Starting October 1, please take your card with you the next time you visit your health provider or pick up a prescription, etc. Simply show it to your provider to make sure they have your up-to-date plan information on file.

Other than that, you will continue to receive your benefits – just as you have until now.

KEEP INFORMED!

This is your Trust. The better you understand it, the better the Trust will work for you. Be sure to visit the new website at 8782retireebenefitstrust.ca. It’s your central source for benefits information.

You can use this website to learn about your benefits, identify the right contacts, and submit any questions you might have. While you’re at it, why not send us your email address. It will make future communication easier and more economical.



KEY BENEFITS CONTACTS

<ul style="list-style-type: none"> • General questions • Address changes • Dependant or beneficiary changes • Other administrative issues/support 	<p>Terry Barnard at USW Local 8782 terrybarnard@uswa8782.com 519-587-2000 x225</p>
<ul style="list-style-type: none"> • Medical & dental claims • Claims questions or appeals 	<p>Green Shield Canada (GSC) greenshield.ca Customer Service Centre 1-888-711-1119 Monday to Friday 8:30 a.m. to 8:30 p.m. ET Have your benefits card ID number ready.</p>
<ul style="list-style-type: none"> • Out of country coverage 	<p>Royal and Sun Alliance (RSA) rsatravelinsurance.com From Canada and U.S.A. 1-866-870-1898 Collect from anywhere +819-566-1898</p>
<ul style="list-style-type: none"> • Life insurance 	<p>Desjardins Policy #541533 Division #001 For life insurance inquiries, please contact Terry Barnard</p>

The final word

This bulletin is intended to provide summary information about the USW 8782 Retiree Benefits Trust. It is not intended to be comprehensive. The specific details of the benefits are contained in the actual plan contracts that govern the program. If there is any discrepancy between the information presented here and the terms of the plan contracts, the plan contracts will prevail.