

Annual Report 2021



BENEFITS
OF FILM

IATSE 891 | ACTIVE HEALTH PLAN

BENEFITS
OF FILM+

IATSE 891 | 60+ HEALTH PLAN

Making the most of your Plan

Your *Benefits of Film/Benefits of Film+* Plan is provided through a Health Benefits Trust. This report summarizes how the Health Benefits Trust is financed, the cost of the services provided, and the governance principles followed by the Trustees. It also summarizes changes made throughout the year and provides tips and information on making the most of your benefits.



The health of the Plan has a significant effect on the benefits you receive. Understanding what drives those benefits not only makes you a smarter benefits consumer, but it also provides valuable background knowledge when there are plan changes or enhancements.

While this report is available to all members of Local 891, most Plan benefits only apply to members who meet the hour bank eligibility requirements. **There are three exceptions:**

1. All non-retired members in good standing of Local 891 have life insurance until their 65th birthday. Your coverage amount varies based on your work history. If you are covered by the hour bank, life insurance coverage will reduce or terminate at the earlier of your 65th birthday or the effective date of your retired union status.
2. All members of Local 891 have support for residential/non-residential rehabilitation for drug and alcohol addiction.
3. All members of Local 891 have Employee and Family Assistance Program (EFAP) coverage.

If you have any questions, please do not hesitate to contact the *Benefits of Film* team at J&D Benefits Inc. or at the IATSE Local 891 Union office. They are standing by to help you understand the Plan and communicate with Plan administrators and providers.

The most up-to-date Plan information can be found at www.benefitsoffilm.com. You can find all contact details at the back of this report.

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A message from the Trustees

Welcome to the 2022 Annual Report for Benefits of Film/Benefits of Film+ providing background, recent changes and summary of our financial overview.

Your health benefits plan was established by IATSE 891 in 1992 to support members and their families by providing benefits meeting your unique needs on a financially sustainable, not-for-profit basis. Assisting and supporting you and your dependants in maintaining good health is what we do. When the unexpected happens impacting your health, your plan provides supports to aid you and your dependants recovery.

In mid 2022, we continue to manage plan assets to provide for current and future benefits. The accompanying financial statements show net assets of over \$229 million at the end of 2021. Over the first half of 2022, due to market conditions, these assets have declined. Actuarial valuations, relied upon by the Trustees, indicate the Plan's continued ability to support current and future benefits and even make some additions. We continue to apply what we have learned through COVID-19 to expect the unexpected, as we continue to monitor and safeguard your benefits.

Your benefits are funded by employers' remittances to the Plan, in accordance with your 891 contract, based on hours worked by the membership. Members who work enough to qualify for the hour bank are provided full benefit coverage, but Union members of all status have coverage for the Employee and Family Assistance Program (EFAP) and residential/non-residential rehabilitation for drug and alcohol addiction. Also, all Union members in good standing are covered for life insurance to at least age 65.

Included in your Plan are frequently claimed benefits such as prescription drugs (part of extended health) and dental coverage; as well as less frequently claimed benefits such as Short and Long Term Disability (STD/LTD) and rarely claimed benefits such as critical illness or life insurance. Benefits are there to support you and other Plan members for both daily health-related expenses and when the unexpected occurs. We, the elected Trustees, volunteer our time to set general administrative policies implemented in conjunction with the IATSE 891 Union office and third-party administrators such as J&D Benefits and Canada Life. All information about the benefits and rules are outlined in the Plan booklets and online at the Benefits of Film website. Plan benefits are provided through

As Trustees, our objectives are to maximize the value of benefits based on the funding received from employers, to provide benefits impartially within the financial resources of the Trust and to remain accountable to the membership.



Canada Life (formerly Great West Life), Homewood Health, AIG and FSEAP. Critical Illness coverage will move from Chubb to Allstate effective October 1st 2022.

Trustees are elected for six-year terms of office. These elections are staggered with two Trustees up for election at a time. We meet between five and seven times per year. We continue to apply the strategic plan we initiated in 2019. We operate autonomously from but work closely with the Union. Our roles and responsibilities are outlined and established in a Trust agreement with the Union. To advise us with plan design, financial planning tasks and governance, we utilize consultants and investment managers to manage the funds entrusted to us and legal counsel as required. The Plan's financial records are audited annually.

We attend educational sessions regularly to upgrade our knowledge. We seek to anticipate changes so we can handle issues that arise in a measured way to ensure your access to health benefits – today and in the future.

In Solidarity, your Board of Trustees

- Tom Adair (Chair)
- Paul Klassen (alternate Chair)
- Phil Klapwyk (Business Representative, Local 891)
- Mark Aviss
- Tom Kaczmarek
- Dusty Kelly
- Jeffery Seeger

What's new

Trustees manage your Plan with the goal of maximizing the benefits provided to eligible members within the financial resources available to us. This entails careful consideration of the benefits being provided taking into consideration past decisions, impact and costs. Changes in coverage are evolutionary not revolutionary. Our planning horizon is measured in decades while we deliver services daily.

The Plan must ensure we have adequate funds on hand for your current benefits and additional reserve funds combined with funding expectations for the longer term. Benefits are funded by the Trust's assets and ongoing remittances from producer's levies negotiated by the Union. If the funds on hand and expected funding is not sufficient to support the projected benefit costs into the future, the Trustees would need to amend the Plan to bring it in line with funding or obtain additional funding.

To ensure benefits are sustainable and that the Plan has enough resources to cover any potential liabilities, the Trustees continually monitor the Plan's funding and benefit usage. Liabilities of the Trust will fluctuate due to changes in member demographics and the Trustees need to make sure the Plan responds to your changing health care needs. Some of these changes recently include the impacts of COVID-19, but the average age of membership, inflation, death rates, new medications and rates of benefit use are all factors actively monitored by the Trustees.

The Trustees, with guidance from experts, have maintained the intensive and ongoing process of reviewing plan design, governance, and suppliers over the years. As a result, here are some of the most significant changes/improvements that were introduced in 2021.

January 1, 2021

- Lifetime maximum for alcohol and substance addiction increased to \$20,000.
- Plan was amended to include coverage for kinesiologists who are approved members of the BC Association of Kinesiologists.

July 1, 2021

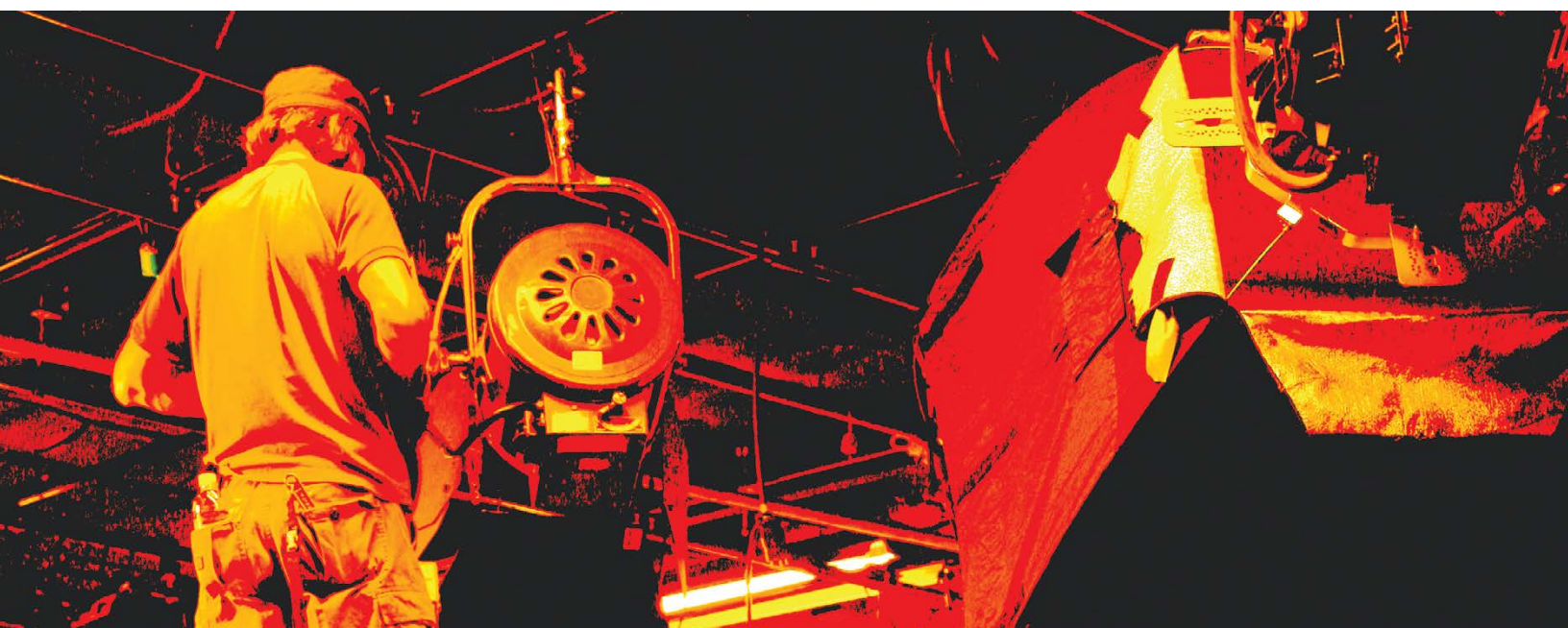
- \$500 Health Care Spending Account was deposited to eligible members accounts.

August 2021

- Benefitsoffilm.com is launched, now the go-to website for plan member information.

December 4, 2021

- Removed 60-day late filing rule and once per lifetime limitation from Short Term Disability program. Was replaced with a maximum backdate of benefit payment of six months, based on approval of the claim.





- You can **view your current hour bank status, hour bank history, and other important eligibility information online** at any time through J&D Benefits website at www.jdbenefits.com. You can also make current hour bank shortage payments by credit card through your online account there.
- Remember to **check your email regularly**, and to update J&D Benefits if your email address changes. J&D Benefits does not send email communications unless they are relevant to the membership or to you specifically. All correspondence from J&D Benefits will come from benefitsoffilm@jdbenefits.com, so make sure that your email controls will not send those messages into your junk mail.
- As with any other area of our lives, it makes sense to **shop wisely when using health care services**. For instance, pharmacies may charge quite different dispensing fees. The fee is shown on the prescription receipt. The difference may not be huge, but it can add up over a large membership and over an extended period.
- Differences in price can be quite large with vision care. Be sure to **get a paper copy of your prescription after your eye exam in order to check the price** of your glasses or contacts at other locations.
- If you foresee a major medical or dental expense coming up, you are encouraged to **get an initial estimate** (generally called a "predetermination") of how much would be covered by Canada Life. This will help you plan treatment accordingly and avoid unexpected out-of-pocket expenses.
- For faster and easier reimbursement of extended health claims, **sign up for GroupNet through Canada Life** (visit <https://my.canadalife.com/sign-in> and Sign In) to submit your claims online. Also, remember to **keep your receipts for expenses submitted online for at least six months**, in case you are selected for an audit of your online claims. You can see your claims history, check remaining benefit levels, and do much more through GroupNet as well.

Plan costs for 2021

This chart presents the various major Plan costs by type for 2021. Costs are averaged over the entire year; actual costs vary from month to month.

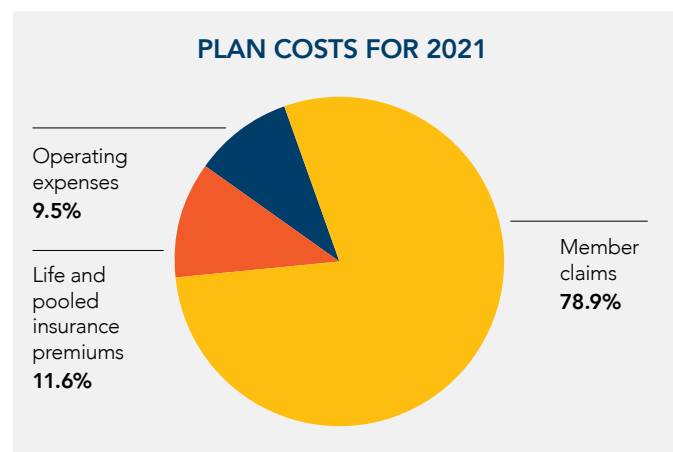
Life and Pooled Insurance Premiums:

This includes Accidental Death & Dismemberment premiums, Critical illness premiums, the Employee and Family Assistance Program (EFAP), Teladoc, Travel Assistance, and Basic Life Insurance premiums. These premiums are paid on a per-eligible-member basis.

Operating Expenses: Operating costs are for administration expenses the Union Office incurs to run the Plan, professional services, clerical expenses, consultants and Trustee education.

Member Claims: The Plan is ultimately responsible for all liabilities resulting from Dental care, Extended healthcare, Short-term disability, Long-term disability, Healthcare Spending Account, Critical illness and Rehabilitation benefits. These costs have generally increased over time for a number of reasons, such as

the increasing cost of Health and Dental care, increased utilization of benefits and the increasing average age of members.



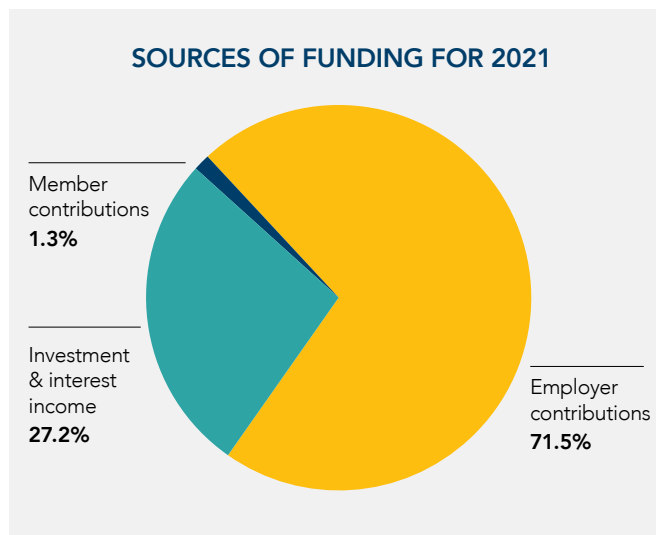
Sources of funding

The Plan's funding comes from three important sources, described in more detail below.

Employer Contributions: Employer payments, in accordance with the collective agreement, make up most of the funding. The average value of contributions per hour, including the "daily flat rate," has been enough to pay for benefits and operating costs in recent years.

Investment & Interest Income: In most years, earnings on invested reserves are a very important part of the Plan's funding, especially for the retiree Plan. The Trust's investments are governed by an investment policy approved by the Trustees. Investment income is important to the Plan because some of the Plan's benefits are subsidized, particularly retiree benefits. Investment income helps to support such subsidies. Without investment income, earned under a conservative investment mandate, active members' hour bank draw-down would be higher. The Trust's investment policy ensures that there are sufficient liquid assets on hand to pay benefits and premiums. The investment policy also allows some assets to be invested in longer-term securities.

Member Contributions: Self-payments by members don't fully cover the costs of benefits, and are subsidized by the Plan, however, they're still a useful funding source which allows members the option for continuous coverage in times of limited employment.



The Plan derives absolutely no funding from Union dues, and operates completely independently of the Local's finances.

Financial summary

	2020	2021
ASSETS	\$198,831,197	\$229,001,843
LIABILITIES	\$96,701,960	\$110,259,631
TRUST EQUITY	\$102,129,237	\$118,742,212
INCOME		
Contributions	\$35,427,541	\$50,380,161
Investment Income	\$10,898,000	\$18,582,082
TOTAL INCOME	\$46,325,541	\$68,962,243
EXPENSES		
TOTAL EXPENSE	\$22,181,000	\$52,349,268
GAIN (LOSS)	\$24,144,541	\$16,612,975

What does it mean?

- The Trustees have provided this financial summary from the annual audited financial statements for a year-over-year comparison from 2020 to 2021.
- Please find attached a report of the independent auditor on the summary combined financial statements for further review.

KEY DEFINITIONS



Assets: Everything the Trust owns. Most assets are held as investments in term deposits, stocks, and bonds. Other assets are cash for monthly expenses and payments receivable from employers for hours recently worked by members.

Liabilities: Everything the Trust owes. Most liabilities are the estimated future cost of benefits, represented by the membership's hour banks and the coverage we expect to provide to members already retired and who will retire in the future.

Trust Equity: A reserve maintained against unexpected adverse events. It is the calculated difference between Assets and Liabilities.

Contributions: Employer payments required by the collective agreement and self-payments by active and retired members.

Investment Income: Earnings on the Trust's investments, bank accounts and change in market value of investments.

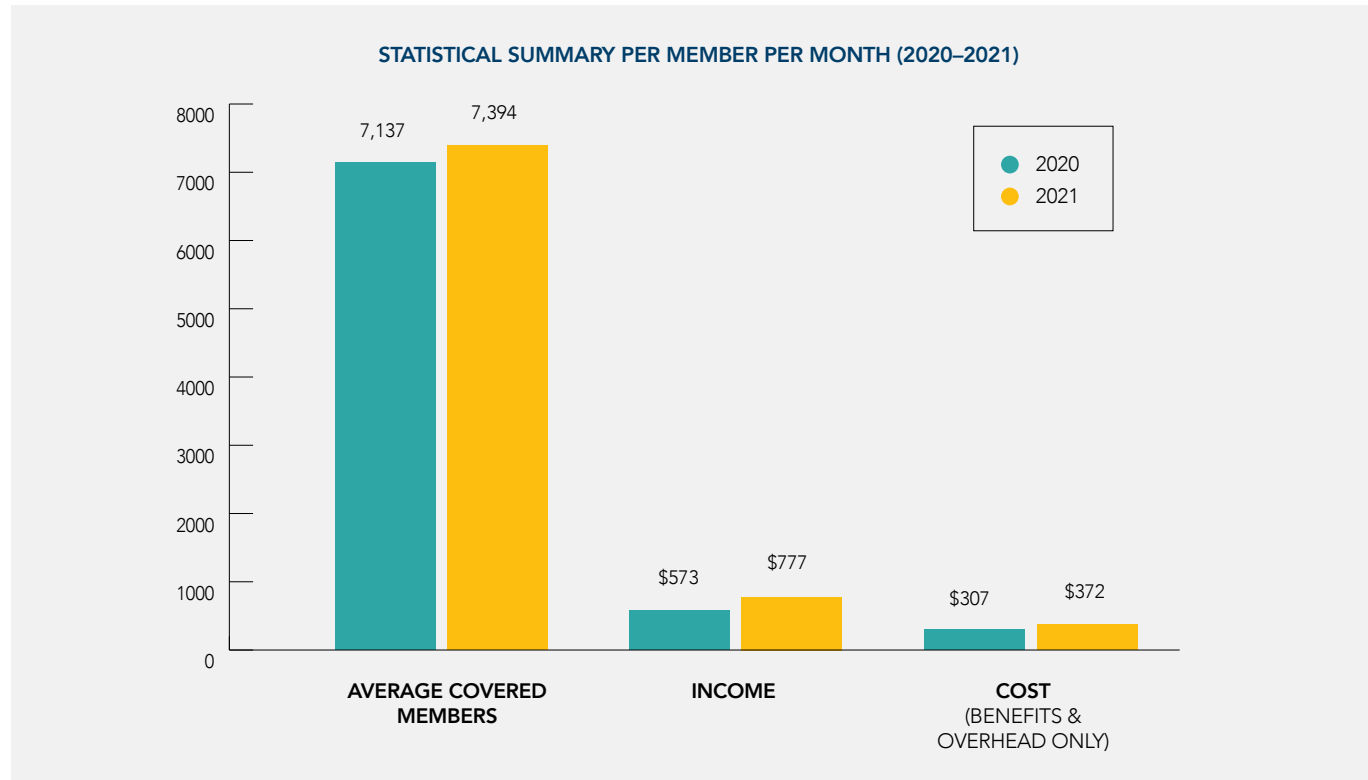
Benefit Expenses: Payments to the Medical Services Plan, Canada Life, Homewood Health, AIG, Chubb, and FSEAP for member coverage.

Operating Expenses: The cost of administering the Plan, Trustee education and meetings, and professional fees (auditor, actuary, and lawyer).

Reserves: Each year, we adjust the estimated future cost of benefits. The reserve for member hour banks goes up or down depending on whether more members are working and building their banks, or not working and drawing down their banks for coverage. Reserves for future retiree benefits increase as working members build up service. Periodically, the Trustees have the retiree liability professionally re-valued with current data.

Gain (Loss): Calculated as Total Income minus Total Expenses and Income Taxes.

Your Plan at a glance



STATISTICAL SUMMARY NOTES

The number of covered members varies with the amount of work available. We saw significant membership growth from 2019 to 2020: membership in 2020 fluctuated averaging 7,137 throughout the year, and the Plan ended December 2020 strong with a high of 7,292 members. At the end of 2021, our Plan continued to grow, covering approximately 7,495 members.

Income per covered member varies with industry conditions and investment performance. The number of hours worked and rates of pay have a significant impact, as does the number of permittees, who are not eligible for coverage but whose employers contribute to the Plan.

Cost per covered member tend to increase gradually over time, though annual performance can vary based on a number of factors.



Key contacts

For information or assistance with your IATSE Local 891 ELHT, please contact:

Plan Administration:

J&D Benefits Inc.

228-8901 Woodbine Avenue, Markham, ON L3R 9Y4

Phone: Toll Free 1.800.218.7018

Fax: 1.905.477.2249

Email: benefitsoffilm@jdbenefits.com

Web: www.jdbenefits.com

Union Office:

IATSE Local 891 Health Benefits Admin

1640 Boundary Road, Burnaby, BC V5K 4V4

Phone: 604.664.8914

Fax: 604.298.3456

Email: benefitsoffilm@iatse.com

Web: www.iatse.com

Employee and Family Assistance Program

The Employee and Family Assistance Program (EFAP) is a voluntary, confidential counselling and information service for all members of Local 891 and their families who are experiencing problems or are in need of professional guidance in their personal, family, or work lives. All members are eligible for this service, even if not covered on the hour bank. The service is provided by Family Services Employee Assistance Programs (FSEAP), one of Canada's largest EFAP providers. To book an appointment with FSEAP, please contact them at:

Phone: Toll Free 1.800.667.0993

Web: www.fseap.ca



Report of the Independent Auditors on the Summarized Financial Statements

To the Board of Trustees of IATSE Local 891 Employee Life and Health Trust:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2021, and the summary statement of changes in net assets available for benefits and changes in plan benefit obligation for the year then ended, are derived from the audited financial statements of IATSE Local 891 Employee Life and Health Trust for the year ended December 31, 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with Canadian Auditing Standards (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for pension plans. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our audit report on the audited combined financial statements.

The Audited Combined Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated May 26, 2022.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with Canadian Auditing Standards (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Auditor's Responsibility for the Summary Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Port Moody, British Columbia

May 26, 2022



Chartered Professional Accountants

IATSE Local 891 Employee Life and Health Trust

Statement of Financial Position

As at December 31, 2021

2021 2020

Assets

Cash	23,300,941	22,831,953
Accounts receivable	2,425,297	3,604,314
Prepaid expenses	15,408	11,475
Investments	215,670,967	179,232,782
Investment stabilization fund	(13,089,779)	(7,534,072)
Claims fluctuation reserve	679,009	684,745
	229,001,843	198,831,197

Liabilities

Benefits and accounts payable	587,987	789,325
Plan benefit obligation	109,671,644	95,912,635
	110,259,631	96,701,960

Net Assets Available for Benefits

118,742,212	102,129,237
229,001,843	198,831,197

Approved on behalf of the Board of Trustees

e-Signed by Tom Adair

2022-06-30 11:43:57:57 PDT

Trustee

e-Signed by Paul Klassen

2022-07-05 11:01:37:37 PDT

Trustee

e-Signed by Phil Klapwyk

2022-07-11 14:31:03:03 PDT

Trustee

IATSE Local 891 Employee Life and Health Trust

Summarized Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2021

	2021	2020
Increases in net assets available for benefits:		
Revenues		
Production remittances	49,322,494	34,806,221
Other cash contributions	880,058	391,028
Interest and miscellaneous	177,609	230,292
	50,380,161	35,427,541
Investment income		
Dividends	931,045	920,748
Interest and foreign income	4,241,747	4,668,031
Realized gains on disposal of investments	5,528,414	3,381,337
	10,701,206	8,970,116
Unrealized investment income		
Unrealized foreign exchange loss	(133,770)	-
Unrealized gain on market value of investments	8,014,646	4,700,033
	7,880,876	4,700,033
	68,962,243	49,097,690
Decreases in net assets available for benefits:		
Members' benefits	31,579,249	24,818,718
Administrative expenses	1,455,303	1,468,426
Change in provision for plan benefit obligation	13,759,009	(4,105,710)
Change in investment stabilization fund	5,555,707	2,771,904
	52,349,268	24,953,338
Increase in net assets available for benefits	16,612,975	24,144,352
Net assets available for benefits, beginning of year	102,129,237	77,984,885
Net assets available for benefits, end of year	118,742,212	102,129,237

IATSE Local 891 Employee Life and Health Trust

Summarized Statement of Changes in Plan Benefit Obligation

For the year ended December 31, 2021

	2021	2020
Increases (decreases) in plan benefit obligation		
Provision for claims and benefits reserves	13,798,917	(8,149,102)
Provision for hour bank	(39,908)	4,043,392
Increase (decrease) in plan benefit obligation	13,759,009	(4,105,710)
Plan benefit obligation, beginning of year	95,912,635	100,018,345
Plan benefit obligation, end of year	109,671,644	95,912,635