

TWU-USW Employee Life and Health Plan

British Columbia, Alberta, Saskatchewan & Manitoba
Members

Group Name and Policy Number

TWU-USW Employee Life and Health Plan

British Columbia, Alberta, Saskatchewan & Manitoba Members

Life and Disability Parts

Group Number 9798

As of January 29, 2016

For British Columbia residents:

This policy contains a clause, which may limit the amount payable. This policy contains a provision removing or restricting the right of the group person insured to designate persons to whom or for whose benefit insurance money is to be payable. The Short Term Disability Benefit offered is not insured by an insurance company regulated under the Insurance Act, but is an unsecured financial obligation of the Trustees of the TWU-USW Employee Life and Health Plan to be paid from the funds of the TWU-USW Employee Life and Health Trust, which is exempt from the regulatory requirements of the Act.

For Alberta residents:

This policy contains a provision removing or restricting the right of the group life insured to designate persons to whom or for whose benefit insurance money is to be payable. The Short Term Disability Benefit offered is not insured by an insurance company regulated under the Insurance Act, but is an unsecured financial obligation of the Trustees of the TWU-USW Employee Life and Health Plan to be paid from the funds

of the TWU-USW Employee Life and Health Trust, which is exempt from the regulatory requirements of the Act.

For Manitoba residents:

This policy contains a clause which may limit the amount payable. This policy contains a provision removing or restricting the right of the group person insured to designate persons to whom or for whose benefit insurance money is to be payable. The Short Term Disability Benefit offered is not underwritten by an insurer regulated under the *Insurance Act*, but is an unsecured financial obligation of the Trustees of the TWU-USW Employee Life and Health Plan.

First, an important note from our lawyers.

This booklet is intended only as a guide and does not establish any legal rights. It summarizes the benefits provided by the Plan at the time of this booklet's publication. Members' rights to benefit coverage and payments are stated only in the Plan, which is available for viewing at the Plan Administration Office. The Plan may be amended from time to time. If there is an inconsistency between this booklet and Plan, the terms of the Plan prevail.

The purpose of this booklet is to provide you and your family with a brief and informative description of the Death and Disability Benefits available for members of the TWU-USW Employee Life and Health Plan (the "Plan") who are covered by the Collective Bargaining Agreement in British Columbia, Alberta, Saskatchewan and Manitoba between the Union and TELUS and Associated Subsidiaries as specified in the Collective Agreement or another agreement permitting participation in the Plan.

The Plan is organized in Parts. This booklet describes the Life and Disability Parts, all of which apply only to members employed by TELUS and its affiliates as well as employees of the Union, entities that employ members of the Union, and the Trustees.

Possession of this booklet alone does not mean that you and your dependants are covered under the Plan. You must be a member of the Plan and satisfy all of the requirements of the Plan to receive benefit payments. To become a member, you first must meet the eligibility requirements and make contributions to the Plan via payroll deduction for all your scheduled hours in two complete pay periods of work. Thereafter you must make regular payroll contributions as required by the Trustees.

We suggest that you read this Benefit Booklet carefully then file it in a safe place with your other important documents for future reference.

Coverage is provided through British Columbia Life & Casualty Company (“BC Life”) for:

Group Life Benefits
Survivor Income Benefit (SIB)

And administered by BC Life for:

Short Term Disability (STD).

Privacy Policy

Your privacy is important to the Plan. Both the Plan and BC Life have Privacy Policies, which govern the collection, use, and disclosure of personal information (including personal health information) about individuals who are members or dependents. These Privacy Policies require that personal information be kept confidential, but does permit use and disclosure of personal information in limited circumstances consistent with the administration of benefit and insurance coverage and payment.

BC Life is a wholly owned subsidiary of Pacific Blue Cross (PBC) and shares the same Privacy Policy as PBC. The Privacy Policy is available on the PBC website at www.pac.bluecross.ca or can be obtained by BC Life on request.

A copy of the Plan’s current Privacy Policy can be obtained from the Plan on request and is also available on its website: www.twplans.com.

By participating in the Plan, and submitting claims, you are consenting to the collection, use, and disclosure of your personal information pursuant to the terms of these Privacy Policies.

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Benefit Summary

The Benefit Summary contains a brief summary of your benefits. Please refer to the appropriate page in this booklet for a more detailed benefit description.

Life and Disability Parts

As a member of the TWU-USW Employee Life and Health Plan, you are provided with life insurance coverage and survivor income benefits under the Life Part of the Plan. Depending on your employment status, you also may be provided with Short Term Disability (STD) coverage under the Disability Part of the Plan, which protects you and your family when you are unable to do your job due to Disability. Please refer to the appropriate Part of this booklet for an explanation of when you are considered to be Disabled.

The premiums you pay are based on whether you are covered under the Life and Disability Parts or the Life Part only. If you are covered under both Parts, you will pay premiums equal to 1.5% of your actual gross earnings. If you are covered by the Life Part only, you will pay 1.2% of your actual gross earnings. These contribution rates are reviewed by the Trustees on an annual basis and are subject to change.

The Life Part of the Plan provides two types of life insurance protection for members. The Group Life Benefit provides your beneficiary or beneficiaries with a one-time payment and the Survivor Income Benefit (SIB) provides your beneficiary or beneficiaries with an ongoing monthly income in the event of your death.

Group Life Benefit

The amount of Group Life Benefit is your Annual Earnings, rounded to the nearest \$1000, plus \$2000. This amount is paid in a lump sum to the designated beneficiary or beneficiaries for this benefit.

Survivor Income Benefit (SIB)

The amount of the monthly survivor income benefit is 25% of Annual Earnings divided by 12 paid to the designated beneficiary or beneficiaries for this benefit.

If your SIB Beneficiary is your Spouse, the benefit is payable for your Spouse's lifetime or 10 years of payments, whichever is longer. If your Spouse dies before receiving 10 years of payments, payments will be made to your Spouse's estate.

If your SIB beneficiary is not your Spouse, or you have more than one beneficiary, the benefit is payable for 10 years.

Short Term Disability (STD) Benefit

The Disability Part of the Plan, Short Term Disability (STD) coverage, is available only to members who are regular employees covered by an Employer's short-term disability plan. The Disability Part provides you with wage loss protection for up to 24 months from the date that you become unable to do your own job due to Disability. The Plan pays 'top up' benefits when your monthly income from all sources, including the TELUS short-term disability plan, is less than 100% of your pre-Disability after-tax income.

The amount of STD payment you receive will depend on your income from other sources. The STD benefit is designed so that your income from all sources while Disabled will be approximately equal to your pre-Disability after-tax income.

General Information

Member

A Member is a person who is eligible, has applied and been approved for coverage under the Life Part or the Life and Disability Parts of the Plan.

Beneficiary or Beneficiaries

- 1) You may designate a beneficiary or beneficiaries for any benefit payable on your death.

You may name a beneficiary or beneficiaries for benefits under the Life Part or change your designations in writing in accordance with applicable legislation. If you do not have any designated beneficiary, or if none of your designated beneficiaries survive you, any benefit amount due will be payable to your estate. More information about designating beneficiaries can be found in the section of this booklet entitled “Life Part”.

Member Information/Access to Records

On request, and at no charge to you, the Trustees will provide you with one copy of:

- 1) your application for coverage;
- 2) the Plan; and

any written statement or other record provided to us as evidence of your insurability.

Legal Action

If you wish to commence an action in respect of the Group Life Benefit, you must commence your action against BC Life within the time set out in the applicable *Insurance Act*.

For residents of British Columbia, Alberta, and Manitoba:

The Insurance Act requires this booklet to say: Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.

The Survivor Income Benefit and STD Benefit are not insured by an insurance company regulated by the applicable *Insurance Act*. The Trustees are exempt from the regulatory requirements of the *Insurance Act*. If you wish to commence an action in respect of the Survivor Income Benefit or STD Benefit, you must commence your action against the Trustees within two years from the date you provide the Trustees with proof of loss or within the time set out in other applicable legislation.

General Information About the Plan

The TWU-USW Employee Life and Health Trust Fund was established by the Telecommunication Workers Union (TWU), United Steelworkers Local Union 1944 (“Union”) to provide group benefit coverage for Union members at reasonable cost. The Trust Agreement requires the Union to appoint a Board of Trustees comprised of Union members. The Trustees are responsible for all aspects of the administration of the Trust Fund including the receipt of contributions to the Fund and arranging the provision of benefits under the Plan. They may amend the Plan when they consider it necessary to do so.

They must set contribution levels from time to time at a level sufficient to pay benefits and the administration costs of the Fund. They may appoint professional advisors, enter into insurance contracts, and appoint an Administrator.

Future of the Plan

The Trustees are pleased to be able to offer these benefits and are committed to ensuring the operation of the Plan on a financially sound basis. It is important to the Union that participating members are able to obtain this benefit coverage and encourages all eligible persons to join.

The Trustees communicate benefit changes to the members through booklets, letters, Transmitter articles and the Plan webpage at www.twplans.com.

The Trustees review the Plan provisions on a regular basis to identify areas for improvement.

Plan Participation

If you are a new employee eligible for Plan membership, the Union or Employer's office will inform the Plan Administration Office. The Plan Administration Office will send you an application card. You have 60 days from the date the application card was sent to return the completed card to the Plan Administration Office. If the card is not completed within the required 60 days you are deemed to have declined to become a member and therefore have no coverage under the Plan.

Member Contributions

Members covered by the Life and Disability Parts of the Plan pay the full cost of the benefits provided. There are no Employer contributions. Contributions are made by payroll deduction and forwarded by your Employer to the Plan Administrator.

Once you elect to participate in the Plan, your Employer must remit, by payroll deduction, contributions in respect of all your scheduled hours of Normal Work or Permanent Accommodated Work in two consecutive pay periods to be eligible to receive benefits payments.

The required contribution rates are a percentage of your actual gross earnings. A table showing the current required contributions for Regular and Temporary Employee members, at various earnings levels follows:

Member Contribution Per Pay Period (26 per Year)

Earnings Per Pay Period	Regular (Life and Disability Parts) 1.5%	Temporary (Life Part only) 1.2%
\$1,500	\$22.50	\$18.00
\$1,800	\$27.00	\$21.60
\$2,000	\$30.00	\$24.00

When on an unpaid leave of absence (LOA), you must make arrangements with your Employer to maintain your contributions in order to maintain coverage. Your Employer will advise you of the amount you are required to pay during a LOA.

Note: If you do not pay the required contributions, your coverage lapses. If you wish to rejoin the Plan, you will be required to provide satisfactory medical evidence of insurability.

If you become Disabled under the terms of the Plan and are receiving no earnings from an Employer, the requirement that you pay contributions is waived. The contribution waiver and your coverage continue as long as you remain Disabled and an employee of the Employer.

Transfer from Temporary to Regular Employment

If you transfer from Temporary employment to Regular employment when a member, you will automatically be enrolled in Disability Part (STD) and your contributions will increase to 1.5% of your actual gross earnings.

Declining or Cancelling Coverage

You may elect to withdraw from the Plan and therefore cancel your coverage at any time by completing a withdrawal card.

If you declined to enrol in the Plan when you were first eligible or if you cancelled your coverage at any time and then wish to enrol or re-enrol in the Plan, you must provide satisfactory evidence of insurability to the Trustees before your application is approved.

The Plan Administration Office will provide you with a short questionnaire and an application form. This information will be submitted to the Plan's insurer who may require further medical information to determine whether or not you are eligible to enrol or re-enrol in the Plan. To ensure your medical information is kept private, the insurer will correspond directly with you.

If your application for late enrollment or re-enrollment is declined by the insurer, you may seek a review of this decision by submitting a letter to the insurer stating that you wish the Plan to review the decision. For more information, please contact the Plan Administration Office and request a copy of the review procedures.

Frequently Asked Questions

Can I Use My Group Life Benefit as Collateral For a Loan?

No. First, your insurance coverage under the Plan's group policy has no cash value. Further, you cannot assign or encumber any benefit payment under this Plan without the consent of the Trustees.

What is the Income Tax Status of the Plan Benefit Payments?

All benefit payments are non-taxable.

Have Questions?

You can reach the Plan Administration Office at:

Administration Office
TWU-USW Employee Life and Health Plan
#303, 4603 Kingsway
Burnaby, BC V5H 4M4
Telephone: (604) 430-3300
Fax: (604) 430-5395
Email: general@twplans.com

Group Life & Survivor Income Benefit – Life Part

Group Life Benefit

Your Group Life Benefit is term life insurance.

In the event of your death, a non-taxable lump sum payment will be made to your Group Life beneficiary or beneficiaries.

The amount of this benefit is equal to your Annual Earnings rounded to the nearest \$1,000 plus \$2,000.

For example:

Annual Earnings	\$53,761
Annual Earnings rounded to the nearest \$1,000	\$54,000
Group Life Insurance	\$56,000 (i.e. \$54,000 + \$2,000)

See below for more information about how the Plan calculates your Annual Earnings.

Terminal Illness Benefit

If you are expected to die in the next 24 months and before you reach age 72, you may apply in writing to the Trustees for an advance payment of 50% of the Group Life Benefit Amount to a maximum of \$25,000. You must provide medical evidence with your application. The Trustees will consult with the insurer and may permit the insurer to make the advance payment.

When you eventually die, your beneficiary or beneficiaries will be paid the Group Life Benefit Amount, less the amount of the advance payment and less accrued interest from the date of the payment to the date of your death, as calculated by the insurer.

Survivor Income Benefit (SIB)

The Survivor Income Benefit is a form of life insurance that provides your survivor(s) with a monthly income rather than one lump sum.

In the event of your death, a non-taxable monthly benefit is payable to your Survivor Income beneficiary starting on the first day of the month following your death.

Amount of Monthly Survivor Income Benefit

The amount of the monthly benefit will be 25% of your Annual Earnings divided by 12.

For example:

Annual Earnings	\$53,761
25% of Annual Earnings	\$13,440
Monthly Survivor Income benefit	\$1,120 (i.e. \$13,440 divided by 12)

If Your Beneficiary is Your Spouse – the benefit is payable for your Spouse’s lifetime. If your Spouse dies before 10 years of payments are made, the benefit will continue to your Spouse's estate for the balance of the 10-year period.

If Your Beneficiary is not your Spouse - the benefit is payable for 10 years. If a beneficiary dies before 10 years of payments are made, the payments for the balance of the 10-year period will continue to that beneficiary's estate.

For Survivor Income Benefit purposes, your Spouse is either:

- 1) a former spouse designated as your SIB beneficiary in a court order or separation agreement;
- 2) the person with whom you have lived in a marriage-like relationship continuously for at least one year up to the date of your death; or
- 3) the person to whom you were married on the date of your death.

Disability Benefit

If, after becoming a member, you become Disabled and receive no actual earnings due to your inability to work, you will be continued as a member of the Plan and remain covered for benefits without payment of contributions for the period in which you continue to be an employee of an Employer but receive no actual earnings.

The Plan considers you to be Disabled when you are eligible to receive benefit payments under:

- 1) the Disability Part of this Plan;
 - 2) the Telecommunication Workers LTD Plan;
 - 3) an Employer's STD plan,
 - 4) an Employer's LTD plan;
 - 5) workers' compensation legislation (i.e. WCB) in respect of total incapacity for work with an Employer or in suitable employment;
- or if the Trustees determine that you are unable to engage in an occupation or work for remuneration or profit.

Designating your Beneficiary or Beneficiaries

Group Life and Survivor Income Benefit payments will be made to the beneficiary or beneficiaries you designate for each benefit. If you do not make a designation, the benefits will be payable to your estate.

You will need to make two separate designations:

- 1) A Group Life beneficiary or beneficiaries to receive the lump sum insurance payable on your death; and
- 2) A Survivor Income Benefit (SIB) beneficiary to receive the monthly income payable on your death.

You may either name the same beneficiary or beneficiaries for both benefits or select different beneficiary or beneficiaries for each benefit. You may name your estate as your beneficiary. If you do not name a beneficiary or beneficiaries for a benefit, your estate is the beneficiary for that benefit.

You may designate more than one beneficiary under each benefit, except where you are required to designate a person or persons by court order. If you name more than one beneficiary for SIB, the benefit will be payable for 10 years only, even if one of the beneficiaries is your Spouse.

You can make an irrevocable designation in accordance with applicable legislation, which you must file with the Plan Administration Office during your lifetime. If you have made an irrevocable designation and the designated beneficiary is alive, you need his or her consent to change that designation.

You may appoint, alter or revoke the appointment of a trustee for a designated beneficiary in accordance with applicable legislation. Minor children can be named as beneficiaries; however, it is strongly recommended that you consult with your lawyer or the Plan Administration Office in order to ensure that you understand all of the implications of naming a minor child as a beneficiary.

To make or change a designation, you can complete a Designation of Beneficiary card or Change of Beneficiary card and return it to the Plan Administration Office. Submitting a Change of Beneficiary card revokes all prior designations, so you must designate a beneficiary or beneficiaries for both benefits even if you only wish to change your designation for one benefit.

The Trustees will process any applications for benefit payment in accordance with the last valid beneficiary designations they received.

Annual Earnings Calculation

If you worked in employment covered by the Collective Agreement between TELUS and the Union until the date of your death, your Annual Earnings are calculated as at your date of death.

If you ceased work covered by the Collective Agreement prior to your death, your Annual Earnings are calculated as at your last day of work.

Full time and full time equivalent employees

Your Annual Earnings for Life Part purposes is the GREATER of your

- 1) daily rate of pay multiplied by 260.89 and multiplied by the percentage of full time you work (FTE);
- 2) actual earnings for the 26 pay periods prior to the pay period in which you became Disabled, excluding the final pay period; and
- 3) actual earnings calculated in b) above but excluding pay periods in which you had no or unusually low earnings due to your starting work in the 26 pay periods, a period of Disability, a period of labour dispute or an unpaid leave of absence, annualized.

However, your Annual Earnings may not exceed 120% of your daily rate of earnings multiplied by 260.89 (the average number of paid days in a work year, including holidays, ATO days and vacation).

Example 1 - \$200/day

Actual earnings for the last 26 pay periods:**	\$55,000
Earnings based on Daily rate 260.89 x \$200:	\$52,178
Maximum Earnings (\$200 x 260.89 x 120%):	\$62,614
Annual Earnings for Benefit Purposes:	\$55,000

Example 2 - \$180/day with OT pay

Actual earnings for the last 26 pay periods:**	\$57,000
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Earnings based on Daily rate 260.89 x \$180:	\$46,960
Maximum Earnings (\$180 x 260.89 x 120%):	\$56,352
Annual Earnings for Benefit Purposes:	\$56,352

Example 3 - \$170/day, employed for 14 pay periods

Actual earnings for the last 13 pay periods:**	\$25,712
Annualized Earnings (\$25,712/13 X 26):	\$51,424
Maximum Earnings (\$170 x 260.89 x 120%):	\$53,222
Annual Earnings for Benefit Purposes:	\$51,424

**** Final pay period is excluded from the calculation.**

Part time employee working regularly scheduled hours

Your Annual Earnings, for Life Part - Group Life and SIB benefit purposes is your actual earnings for the last 26 pay periods, excluding the final pay period, up to a maximum of 120% of your daily rate of pay times 260.89.

Employee not working regularly scheduled hours

Your Annual Earnings for Life Part purposes is the GREATER of your

- 1) actual earnings for the last 26 pay periods, excluding the final pay period;
- 2) actual earnings calculated in a) above, but excluding pay periods for which you can satisfy the Trustees that you could not have accepted work offered by an Employer due to your starting work in the previous 26 pay periods, a period of Disability, a period of labour dispute or an unpaid leave of absence.

However, your Annual Earnings may not exceed 120% of your daily rate of earnings multiplied by 260.89.

Coverage Termination

Your coverage under Life Part terminates on the earliest of the following dates:

- 1) the date you are no longer employed by an Employer;
- 2) the first day of the pay period in which you do not make required contributions because you cancelled Plan membership;
- 3) the last day of the second consecutive pay period in which you do not make required contributions;
- 4) the date you reach age 72;
- 5) the date you die;
- 6) the date the Plan terminates; and
- 7) for Members in receipt of a Disability benefit under the Life Part (premium waiver) whose Disability started September 1, 1990 or later, your retirement date under a pension plan for employees of your Employer.

If your Life Part coverage terminates because you fail to make required contributions and you have continued to work, you may apply to the Trustees for reinstatement. You must repay missed contributions plus interest and provide satisfactory proof of insurability as required by the Trustees. The Plan will not pay benefit payments for any claim that arose when you were not covered.

Continuation of Plan Coverage After Termination

If your Life Part coverage terminates due to termination of your employment or Plan termination, you will continue to be covered for Group Life and Survivor Income Benefits for 31 days following the date of termination of your employment or of the Plan. During this period, provided you are under age 72, you can apply to the Plan's insurance company for an individual policy of insurance under the terms of a conversion privilege.

You may convert all or part of the Group Life Benefit and the actuarial value of the SIB, as determined by the insurer, that would have been paid if you had died the day before ceasing to be covered.

The policy will be issued without a medical examination at the insurer's standard rates for a person of your age.

The policy will allow you to pay premiums for the first year on a quarterly basis or on other agreed terms.

Although you will not have to provide medical evidence of insurability to obtain converted insurance, if you are reasonably healthy you may wish to submit medical evidence and obtain a quote for a non-converted policy, which may be available to you at lower premium rates. If you are declined for lower cost insurance, you may still convert at standard rates provided you convert within 31 days.

Making a Claim

Death Benefits

Upon your death, the person seeking payment of a benefit under the Life Part must submit to the Trustees satisfactory proof that you have died (usually a Death Certificate) and of the date of your death, as well as proof that the person is a beneficiary entitled to receive the payment. The person also must complete any forms that the Trustees require.

This information should be submitted as soon as possible and must be submitted to the Trustees within 365 days of your death. The Trustees have discretion to extend this timeline taking into account the circumstances.

Disability Benefits

If you wish to claim a Disability benefit, you must complete and deliver to the Trustees any form they require and satisfactory proof of your Disability. If your status changes, or upon the Trustees' request, you must provide updated proof of your Disability or proof of your status under any benefit plan or statutory benefit relevant to your right to payment under the Life Part.

Exclusions

No Life benefit payments are payable or disability benefit provided if the death or Disability is caused by or results from:

- 1) intentionally self-inflicted injury or Sickness;

- 2) participation in a rebellion, a riot, disorderly conduct or participating in an unlawful assembly;
- 3) participation in a war or service in the armed forces;
- 4) flying or air travel, except when flying in an aircraft for which a certificate of airworthiness has been issued by the appropriate government authority and which is operated by a properly licensed pilot;
- 5) your participation in the commission of an offence under the Criminal Code of Canada or a similar offence under the laws of another country;
- 6) non-medical consumption of drugs or alcohol, however you may apply to the Trustees for consideration of a claim for a waiver of this exclusion while you are being treated for chemical dependency; or

during a child care Leave of Absence except during the period that you are on maternity leave from an Employer, eligible for Employment Insurance maternity benefit payments, and Disabled due to the termination of the pregnancy.

Short Term Disability (STD) – Disability Part

The Short Term Disability (STD) Benefit provides up to 24 months of Disability income benefit payments to Regular Employee Members who are unable to work because of Disability.

Note: STD is not available to Temporary Employee Members.

Definition of Disability under the Plan

You are “Disabled” under the Disability Part of the Plan if you are unable to work at your normal occupation because of an injury or illness and are under the care of a Physician licensed to practice medicine in your province of residence or another jurisdiction approved by the Plan Trustees. This includes periods when you are eligible to receive payments from an Employer’s STD or LTD plan or the Telecommunication Workers LTD Plan or when you are working in Temporary Accommodated Work (as defined below).

You are not Disabled for Plan purposes if you are able to work in Permanent Accommodated Work.

Date of Disability

Your Date of Disability is the first calendar day that you are unable to work because of accident or illness. If you are on an unpaid leave of absence at this date, your Date of Disability is the date on which your unpaid leave was scheduled to end.

To be eligible for payments under the Disability Part, you must meet all eligibility requirements for membership in the Plan, including making sufficient required contributions, prior to your Date of Disability.

Your STD benefit is a non-taxable benefit intended to ensure that you continue to receive approximately the same net income you were receiving while you were working. The amount of benefit is based on your Annual Earnings at your Date of Disability as well as any other sources of income that you are receiving while Disabled. The amount of the monthly benefit payable is calculated as a percentage of your monthly earnings (Annual Earnings divided by 12) as shown in the following table:

Source of Income Other than the Plan	STD Payment (% of Annual Earnings)
a) No other income	80% on the first \$20,000 66 2/3% on the next \$20,000 55% on the remainder
b) 100% benefit from the Employer's short-term disability (sick leave) plan	0%
c) 70% benefit from the Employer's short-term disability (sick leave) plan	18%
d) Regular periodic payments under workers' compensation legislation (WCB)	0%
e) TW LTD Plan or Employer's LTD Plan	7.5%
f) Canada Pension Plan or Quebec Pension Plan disability benefit	80% on the first \$20,000 66 2/3% on the next \$20,000 55% on the remainder

g) Canada Pension Plan or Quebec Pension Plan disability benefit and 70% benefit from Employer's short-term disability (sick leave) plan	0%
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Disability Part benefits payable to you will be reduced by 100% on any amounts that you receive from the Quebec/Canada Pension Plan as a primary disability benefit payment. This reduction excludes any Q/CPP cost of living adjustments that are made after your benefit payments commence.

All benefits shown, other than WCB and Plan payments, are taxable.

Example: Before becoming Disabled, Member A earned \$45,000 annually, or \$3,750 per month.

Member A is currently receiving a 70% benefit from an Employer's sick leave plan, which provides \$2,625 per month of taxable income.

The Plan pays 18% of Annual Earnings providing Member A with a \$675 non-taxable monthly benefit.

Annual Earnings

How the Plan calculates your Annual Earnings depends on the type of work you performed prior to becoming Disabled.

Your "Normal Work" is work in the job classification and for the regularly scheduled hours for which you were hired or transferred.

If you are unable to perform your Normal Work due to sickness or injury, but you can perform some work, you may perform accommodated work under an agreement between you, an Employer and, if applicable, the Union.

The Plan differentiates between Temporary Accommodated Work and Permanent Accommodated Work.

Temporary Accommodated Work is accommodated work for an Employer that:

- 1) has irregular or restricted hours or duties due to medical requirements;
- 2) has an anticipated end date;
- 3) the Trustees do not consider to be sustainable by the member; or
- 4) was started, modified or rearranged in the previous 90 calendar days, excluding periods of absence unrelated to Disability.

Permanent Accommodated Work is accommodated work that:

- 1) has regular, recurring duties;
- 2) has regularly scheduled hours of work, no restriction on hours of work or clear and settled restriction on hours of work;
- 3) has no anticipated end date; and
- 4) the Trustees consider to be sustainable by the member; and
- 5) the member has performed without the need for modification or rearrangement for the previous 90 calendar days, excluding periods of absence unrelated to Disability.

If, immediately prior to becoming Disabled, you performed Normal Work, or Permanent Accommodated Work for at least 24 months, and your status was:

- 1) Full time or full time equivalent, your Annual Earnings is your daily rate of earnings on your last day of work multiplied by 260.89 and multiplied by the percentage of full time (FTE) you work.
- 2) Part time, your Annual Earnings is the greater of your:
 - a) actual earnings for the last 26 pay periods, excluding the final pay period; and
 - b) actual earnings for the last 26 pay periods, excluding the final pay period and excluding pay periods in which you had no or unusually low earnings due to your starting work in the

previous 26 pay periods, a period of Disability, a period of labour dispute or an unpaid leave of absence, annualized.

If, immediately prior to becoming Disabled, you performed either Permanent Accommodated Work for less than 24 consecutive months or Temporary Accommodated Work and your status was:

- 1) Full time or full time equivalent, your Annual Earnings is your daily rate of earnings on your most recent day of Normal Work multiplied by 260.89 and multiplied by the percentage of full time (FTE) you work.
- 2) Part time, your Annual Earnings is the greater of your:
 - a) actual earnings for the 26 pay periods, excluding the final pay period; and
 - b) actual earnings for the last 26 pay periods, excluding the final pay period and excluding pay periods in which you had no or unusually low earnings due to your starting work in the previous 26 pay periods, a period of Disability, a period of labour dispute or an unpaid leave of absence, annualized.

In no event may your Annual Earnings exceed 120% of the daily rate of earnings used in the calculation multiplied by 260.89.

STD Claim Requirements

In order to receive STD benefit payments, you must be Disabled and complete an Application for STD Benefits (available from the Plan Administration Office).

In addition, you must:

- a) suffer a loss of earnings while Disabled;
- b) be under the regular care of a physician; and
- c) agree to reimburse the Plan for any overpayments. (When you complete an application for STD benefits you also agree to reimburse the Plan for any benefit overpayments.)

Note: At any time during a member's Disability period, the Trustees or their agent may request medical proof of continuing Disability.

Your benefits will be paid at the end of each month while you remain Disabled.

If Your STD Claim is Denied

If your claim for STD benefits is denied, you may seek a review of the decision by making a written request to the Trustees for their special consideration.

Duration of STD Benefit Payments

Your STD benefit payment period starts on the later of the eighth day that you are Disabled or the first day after you stop receiving 100% of earnings from an Employer due to Disability. However, if you become Disabled while you are on a leave of absence from your Employer or if you are either on strike or locked-out by your Employer, STD benefits will begin on the date you would have returned to work if you were not Disabled.

If you are on a leave of absence from your Employer for the purposes of caring for a child, you are not eligible for STD benefit payments, with the exception that if you are on a maternity leave, eligible for Employment Insurance maternity benefit payments, and Disabled due to the termination of your pregnancy, you will receive STD benefits as calculated above less the amount of Employment Insurance benefits and supplemental unemployment benefits for which you are eligible.

Your monthly STD payments will continue while you are Disabled for up to 24 months following your Date of Disability, but not beyond whichever of these dates occurs first:

- 1) the date you retire under the Telecommunication Workers Pension Plan;

- 2) the date that is 6 months after the last day of the month in which you became Disabled, if you have reached the age of 72; and
- 3) the date your employment with an Employer is terminated.

Your Benefits and the Quebec and Canada Pension Plans

If your Disability is severe and expected to continue for more than 4 months, you should apply for Canada Pension Plan (CPP) and/or Quebec Pension Plan (QPP) disability benefits immediately. It is a condition of continuing STD benefit payment that you must apply within 6 months of becoming Disabled, should your Disability continue for that long, unless the Trustees waive or modify this requirement.

Your STD Benefit from the Plan will be coordinated with any Q/CPP benefits you receive until the end of the 24 month period. You must notify the Plan Administration Office if you are approved for Q/CPP benefits.

If Your Disability is Caused by the Fault of a Third Party

STD Benefits are not payable for Disabilities caused by the fault of a third party, that is someone from whom you may be seeking monetary compensation (for example, a Disability resulting from a motor vehicle accident that was the fault of another person).

If your Disability is or may be caused by the fault of a third party, the Trustees may, in their absolute discretion, provide you with an advance on your Disability payment. The advance will provide you with monthly payments in the amount of STD benefit payments you would have received had your Disability not been caused by a third party pending settlement of your claim against the third party. You must sign a Recovery Agreement to repay the Trustees of the Plan and an Assignment of Rights. The amount of repayment is dependent upon the actual amount of your settlement and takes into account your legal

expenses and the amounts you may be required to repay to your Employer.

If you release a third party of liability without making a claim for lost wages, you will still be required to repay the Trustees. Therefore, in order to avoid having to repay the advance without the offsetting recovery from the third party at fault, it is extremely important that you advise your adjuster or lawyer of your claim for lost wages at the beginning of any Disability caused by the fault of a third party.

For more information on Disability advances, please contact the Plan Administrator.

STD Overpayments

Overpayments may occur if your STD benefits or Disability loan payments are paid to you while you are awaiting a decision concerning your eligibility for other income benefits to which you may be entitled (for example, from Workers Compensation, QPP/ CPP disability benefits, Employer paid LTD Plan benefits or recovery from a third party).

All overpayments must be repaid to the Plan immediately upon receiving a retroactive benefit from any other source.

If You Become Disabled During a Leave of Absence or Work Stoppage

STD benefits will not commence being paid while you are on a leave of absence from your Employer or if you are either on strike or locked-out by your Employer. STD benefits will begin on the date you would normally have returned to work.

If You Return to Work Part-Time or for a Trial Period

You must return to work when you are able. Upon your return, if you return part-time or for a trial period, your monthly benefit will be reduced by your wages. The following example assumes that a Disabled member returns to work for 3 days and is based on a regular full-time employee with Annual Earnings of \$45,000. All figures are approximate.

Annual Earnings (pre-Disability):	\$45,000
Employer paid sick benefit at 70%:	
Annual benefit amount:	\$31,500/annum (taxable)
Daily benefit (i.e. \$31,500/ 260.89)	\$120.74/day (taxable)
Monthly benefit (i.e. \$120.74 x 21.74 days)	\$2,625 monthly (taxable)
Employer sick benefit deducts 3 days: 21.74 – 3 days worked = 18.74 x \$120.74	\$2,263 taxable payment
TWU-USW Employee Life and Health Plan pays 18%:	
Annual benefit amount:	\$8,100
Daily benefit (i.e. \$8,100/ 260.89)	\$31 per day
Monthly Benefit (i.e. \$31 x 21.74 days)	\$675 monthly
TWU-USW Employee Life and Health Plan deducts 3 days: 21.74 – 3 days worked = 18.74 x \$31	\$581 non-taxable payment
Full Pay from Company:	

3 days full pay \$172.49 x 3	\$517 taxable payment
Total Payment for the month from all sources:	\$3,362

If You Return to Work and Again Become Disabled

Same Cause of Disability - If you are Disabled under the Plan, return to work but are not sufficiently recovered to prevent relapse and again become Disabled as a result of the same or related sickness or injury, it is considered a continuation of the same Disability period. STD benefits will start from the date you again become Disabled. The 24-month period will not restart.

However, if you return to work for more than 90 calendar days and then become Disabled, it is treated the same as a different cause of Disability.

Different Cause of Disability - If you were Disabled under the Plan, return to work and again become Disabled as a result of a different sickness or injury, the subsequent Disability is considered a new Disability and the 24-month period will restart.

Limitations and Exclusions

STD benefits are not payable under the Plan for Disabilities caused by or resulting from:

- 1) injury or sickness which was intentionally self-inflicted;
- 2) participation in a rebellion, a riot, or disorderly conduct;
- 3) participation in a war or service in the armed forces;
- 4) flying or air travel, except when flying in an aircraft for which a certificate of airworthiness has been issued by the appropriate government authority and which is operated by a properly licensed pilot;

- 5) your participation in the commission of an offence under the Criminal Code of Canada or a similar offence under the laws of another country; or
- 6) addictive non-medical consumption of drugs or alcohol, except that the Trustees may approve a claim for Disability benefit payments if you are being treated for chemical dependency or alcoholism.

Further, no STD benefits are payable while you:

- 1) are institutionalized in a penitentiary or jail;
- 2) reside at a place other than your ordinary residence or at a hospital;
or
- 3) are not under the regular care of a physician.

The Trustees, having regard to appropriate medical practice relative to the cause and nature of your Disability, may determine that you are not attending for physician-recommended treatment as frequently as necessary to receive appropriate treatment for your Disability and may cease benefit payments.

If there is a dispute as to the sufficiency of medical care or treatment, your condition requires or whether you are Disabled, the Trustees may refer the matter to an independent physician of their choice, at the Trustees' expense. That physician's opinion is conclusive and binding.

You may perform work outside the bargaining unit while receiving STD benefits provided that:

- 1) the work is not available solely because you are not performing your Normal Work or accommodated work because of your Disability; or
- 2) it has been approved by the Trustees for the purpose of rehabilitation; and
- 3) your physician approves.

You must provide copies of your paystubs or paycheques to the Trustees within 10 days of receipt. The Trustees may offset any wages or compensation you earn against your STD payments.

Making a Claim

If you are receiving Employer Short Term Disability Benefits or Workers' Compensation Benefits - you must complete an Application for Short Term Disability Benefits (available from the Plan Administration Office); no additional medical certificate is required on initial application.

If you are not receiving Employer Short Term Disability Benefits or Workers' Compensation Benefits - you must complete a special Application for Short Term Disability Benefits (available from the Plan Administration Office) plus provide a medical certificate supporting Disability.

Note: At any time during Disability you may be required to provide proof of continuing Disability that you are under the care of a physician, of your status under other benefit plans, or of your other income.

If you fail to make a claim and provide required information within 12 months from the date you became eligible for STD benefit payments, the Trustees will have no liability for benefit payments.

