

NDT Industry Pension and Benefit Plans 2017 Year in Review

www.ndtbenefits.org

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The Health Benefit Plan: Did You Know?

Get Your Claims Paid Faster

If you are eligible for health coverage you can scan and send your extended health and dental claims forms and receipts to: health@datownley.com

On the ndtbenefits.org website you will find information on setting up direct deposit under "Forms" on the home page. Send in a void cheque with the direct deposit form to D.A. Townley.

While you are there you can also:

- register for online access to your claims history
- check on past claims for tax or any other purpose

Effective July 1, 2018 eligibility rules for Weekly Indemnity benefits have changed.

For more details, please go to <http://www.ndtbenefits.org>.

NDT Industry National Training Society News

The National Training Society (NTS) has been selected by Natural Resources Canada to provide specific recertification examination services. This means NTS can expand our Approved Examination Center (AEC) capabilities to provide both written certification exams and **practical recertification exams** in the high-demand methods of MT/PT/UT. This new service will be provided at all three centers including Edmonton, Hamilton and Saint John commencing September 2018.

NTS has hired a full-time Coordinator to manage this National Recertification Program and work with the members. We are pleased to announce the hiring of **Sharon Bond** as the coordinator for the Recertification Program. Sharon will be working out of Hamilton but will be coordinating all the workshops and exams related to the recertification for members across Canada. Sharon will work with members to develop a recertification plan that deals with the number of tickets, requirement for workshop exam preparation, best location for exams, and generally ensure a professional process is in place for members to engage and feel confident in maintaining their desired certifications in any or all of the five methods.

The Pension Plan: Did You Know?

Plan Expenses
(Compare to 2%-3%
in Retail Market) **0.4%**

\$683.7M Plan Assets
(Net)

Investment Earnings

2017 **\$49.5M**

2016 **\$62.3M**

Gross Rate
of Return **7.9%**

5,490 Total Pension Plan
Members

Contributions **\$36M**

130 Participating
Employers

Benefit
Payments **\$29M**

We've Moved!

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How to Choose a Financial Advisor

You may want to consider the following criteria when looking for an advisor. Please keep in mind that these criteria are suggestions — only you can decide which advisor is right for you.

What are their qualifications? Make sure your advisor is qualified. Certified Financial Planner (CFP) or Registered Financial Planner (RFP) designations are recognized qualifications which indicate a solid base of education, training, and knowledge in financial planning.

Do they have the right expertise and experience? Different financial advisors have different areas of expertise, so it's important that you find someone who can address your specific needs. For example, if you wish to consult an advisor on matters related to your pension plan, the financial advisor you choose should have a primary focus and experience in pension issues and financial planning (as opposed to, say, investment management).

How are they compensated? Financial advisors can be compensated in a number of ways. This is an extremely important question to ask because you want to be sure they are advising you with your best interests in mind.

- Commission — Traditionally, this has been the most common way financial advisors are compensated. What this means is that when you purchase an investment, a certain percentage of the total purchase will be deducted and a portion of that will go directly to your advisor.
- Fees based on assets — Some financial advisors charge an annual fee that is based on a percentage of the assets you have invested with them. Often, this is what is meant when the advisor claims to be “fee based.”
- Flat fees — Another method of compensation is through a flat fee. Some advisors charge a flat hourly rate or a flat fee for putting together a comprehensive financial plan. Typically, there is little concern for a conflict of interest since they are getting paid whether you purchase any investments or not.

Although these are the three most common methods of compensation, you may find that advisors will offer a combination of these approaches. You need to understand how the advisor is compensated and whether you are comfortable with the arrangement based on the purpose of the work. For example, if a financial advisor is paid through commissions on investment or retirement income products, or through fees that are a percentage of assets held, then that financial advisor will get paid only if you take your money outside your pension plan. An advisor in that situation has a potential conflict of interest in advising you on these decisions. For this reason, you may want to consider advisors who are compensated on a flat fee only basis. Implementation of your financial plan often involves purchasing financial products and services. Insofar as your decisions involve such purchases, a flat fee financial advisor may or may not be able to execute them. In that case, you can still implement your

Suggested Criteria

Qualifications

Experience and Expertise

Method of Compensation

Location

Referrals

In-person interview

plan with the help of other service providers, e.g., your banking and brokerage contacts, or a financial advisor who is compensated on a commission basis.

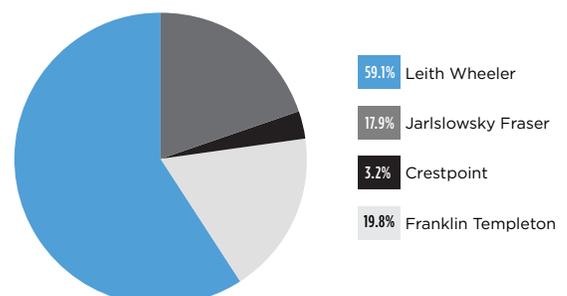
What province do they work in? Finding a financial planner in your province of employment ensures that he/she will be accessible to you and that they understand the pension and tax rules applicable to you.

Talk to others. One of the best ways to find potential financial advisors is by talking to others. You may want to ask your accountant if they know any financial advisors, or check with friends and family or anyone else that you trust for referrals. It is better to get some personal recommendations before turning to the internet or the phone book.

Interview the candidates. Once you have found a few advisors who appear to meet your requirements, it is time to meet with them. Most financial advisors will hold an introductory meeting at no cost. This first meeting is beneficial to both you and the advisor. It provides an opportunity for you to explain what you are looking for, ask questions, and determine if you are comfortable with the individual. It also allows the advisor to determine if they are suitable for the job.

NDT Industry Pension Plan Asset Allocation

By Manager



Your Retirement Years – How Much to Withdraw?



It's your first day in retirement! You look out the window – it is a gorgeous day and the birds are chirping. That day and the rest of your life is yours to spend in whatever way you like. A sense of euphoria takes over until you remember you have important decisions to make – not necessarily for that particular day but for the rest of your life. For one, you have to manage your money from here on as the paycheques will no longer roll in. But fear not – this article will help you gather your thoughts so you can tackle the issue with confidence.

How much money you need is a personal decision. While there is a different right answer for each person, you may wish to factor in these considerations into finding the answer that is right for you – and you can do the work now, in preparation for your retirement.

Considerations

Lifestyle – Only you know what kind of lifestyle you want to have in retirement and how much it costs. Prepare a budget and list your expenses now and in anticipation of retirement. Separate them into three categories: **Must Have**; **Nice to Have**; and **Luxury to Have**. The first category includes expenses that are necessary to meet your and your family's basic needs. The second category includes expenses that are not necessary but enhance your basic needs and provide comfort. The expenses under the third category fulfill your dreams.

Preparing a budget will give you a clearer picture of your family's overall expenses and how these expenses may change in retirement. It also allows you to identify where the trade-offs, if any, may need to be.

Investment strategy and risk tolerance – Your tolerance for risk sets the stage for how you invest your money or what type of payout vehicle you use. This in turn drives the decision of how much money you can withdraw each year. For example, if you've played it safe and have used your retirement funds to purchase a life annuity, then you are guaranteed a fixed stream of income for the rest of your life. If you have your retirement funds in an RRIF and/or LIF type of vehicle, your income is not guaranteed and you need to factor in the investment returns you earn on your funds. If the return you earn each year is not sufficient to meet your needs, then you have to decide whether you dip into your capital, reduce your spending or change your investment strategy.

How long you live – You will not have the answer to this one, but a recent study by the Society of Actuaries has shown that more people underestimate their longevity than get it right, and that many plan for too short a period. Living a long life can be a good thing, but you do not want to run out of money, and you do not want to sacrifice your enjoyment today in fear of tomorrow. Here's a simple way of looking at things using a formula. Let's say you have \$500,000 in your retirement savings.

- If you put the money in a simple bank account (earning no interest) and withdraw \$20,000 each year, it will last you 25 years.
- If you invest it in a sensible, diversified portfolio that might be expected to have a long-term average return of, say, 4% per year and you spend only the investment earnings of \$20,000 per year, your money lasts you forever.
- More likely, you'll find that your investment return bounces around, and perhaps you end up somewhere in between (a) and (b) – i.e., you make somewhere between 0% and 4% return on average. Then your money lasts somewhere between 25 years and forever.

But remember, it is not so much the formula as the thinking behind the formula.

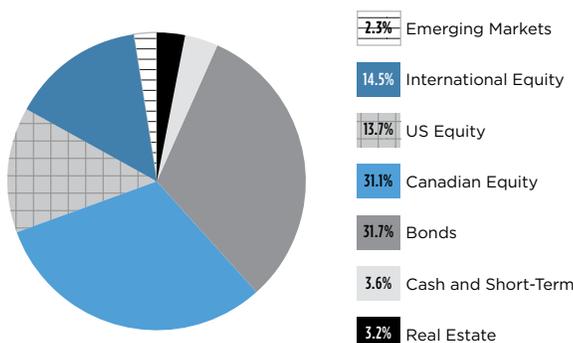
Now that you understand these considerations, put them into action **right away** by starting to plan for your retirement. And if you decide to retain a financial advisor to help you with your retirement planning process, you can now have a much more engaging conversation with your advisor.

After all, you want to enjoy that beautiful first day in retirement and the rest of your life with peace of mind!

For the period ending December 31, 2017

By Asset Class

Source: Proteus Investment Performance Report



Your Retirement Years – Fears and Levers

The three most common fears people have in retirement are:



1. Will I have enough to live on?
2. Will I run out of money?
3. What will inflation do to my purchasing power?

Rather than worry, let's look at the levers for each of these fears.

Will I have enough to live on?

- Prepare your budget now and in anticipation of retirement.
- Categorize your expenses into Must Have (analogy: bread), Nice to Have (analogy: butter) and Luxury to Have (analogy: lobster)
- Give thought to how your current expenses will change in retirement
- Be prepared to make trade-offs

Will I run out of money?

- Increase savings
- Reduce income needs
- Dip into your capital
- Defer CPP to age 70
- Consider buying an annuity upon retirement or later in life
- Research government assistance programs for seniors
- Consider a reverse mortgage or downsize if you own your home

What will inflation do to my purchasing power?

- CPP and OAS are inflation protected
- Staying invested in equities, as shown by past experience, may provide some protection against inflation
- Inflation happens slowly and you may be able to adjust your spending

Let Us Help

Did you know your Employee and Family Assistance Program (EFAP) provides you and your family with immediate and confidential help for any work, health or life concerns. If you are eligible, it is available any-time and anywhere by phone, web or mobile app.

Help is available for:

- Stress
- Grief and loss
- Managing relationships and family
- Dealing with workplace challenges
- Tackling addictions
- Finding child and elder care
- Legal advice
- Financial guidance
- Nutrition

Look under “Health Benefits” on ndtbenefits.org for more information.

Trustees

The Board of Trustees met three times in 2017 on February 24, May 25, and November 11.

The major accomplishments during 2017 were:

- Tony Nguyen and Rick Robichaud retired from the Board. Garon Robb and Adam Stasuk joined the Board as new Trustees.
- Emerging markets and real estate were added as new asset classes.
- Crestpoint was appointed to manage the real estate portfolio.

2018 Trustees

Mr. Garon Robb (2018)
QCCC Prairie Region West

Mr. Vince Vincelli (2008)
Team Industrial Services

Mr. Brent Hunt (2016)
QCCC Central Region East

Mr. Phil Tetzlaff (2017)
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Mr. Gerry Sieben (1989)
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Mr. Kent Oliver (2016)
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