



IATSE Local 873 Health & Welfare Trust 2023 Annual Report

Working Together Through A Difficult Year

For more than 12 years, our Health Trust has provided a core level of insured coverage to all IATSE Local 873 members in good standing. It also offers hour bank benefits (including prescription drug, health, and dental care coverage) to working members, even during slower periods due to work stoppages.

In 2023, the prolonged U.S. labour disputes involving the writers' and actors' unions severely reduced work opportunities for Local 873 members. Employer contributions to the Trust were down over \$10 million on the year and benefit expenses increased by almost \$4 million, resulting in the first net loss in our Trust's history. During the strike period, the Trustees worked to keep members in hour bank coverage by reducing the monthly withdrawal and buy-up rate.

To help manage our rising costs and rebalance the impact of these losses, the Trustees increased dental and paramedical copays from 10% in 2023 to 20% in the Fall of 2024. In addition, the Trustees did not make any deposits to the Health Spending Account (HSA)/HSP Visa for the 2024/2025 plan year.

These changes, combined with an updated investment policy, strong investment returns, and the excellent management of our financial reserves, mean that our plan maintains its stable financial status and remains fully funded.

The Trustees manage the plan with members' best interests in mind so that you and your family can access coverage to support your health and well-being. Did you know there are some things you can do to help keep our benefits plan healthy? For details, turn to **Our Plan. Your Role.** on **page 5**.

As 2024 comes to a close, we will continue to work closely with our team of advisors to build our plan and ensure it remains sustainable – for the benefit of all our members. We wish you and your family good health as we move into 2025, and a bright, successful year ahead.

Sincerely,

Your Board of Trustees

About This Report

The following pages summarize the plan's financial status as of December 31, 2023, and include details about plan costs and funding sources.

This report also includes information you need to know about the benefits plan coverage available to you.

WHAT'S INSIDE

2023 In Review	2
Financial Highlights	3
Financial Reserves Protect Your Benefits	4
Our Plan. Your Role.	5
About The Trust	6



2023 IN REVIEW

Thanks to improved global market conditions and our updated investment policy, 2023 was a far better year compared to 2022. The Trust’s investments earned a positive return of 7.06% as of December 31, 2023. Continuing this positive investment performance to September 30, 2024, the one-year investment return was 15.15%.

The dramatic reduction in employer revenue in 2023 and increased benefit costs during the strike period required a \$5 million draw down from our investment account. This was partially covered by investment income and gains on marketable securities of \$3.6 million on the year. This resulted in a reduction of \$1.5 million in total investment assets over 2022.

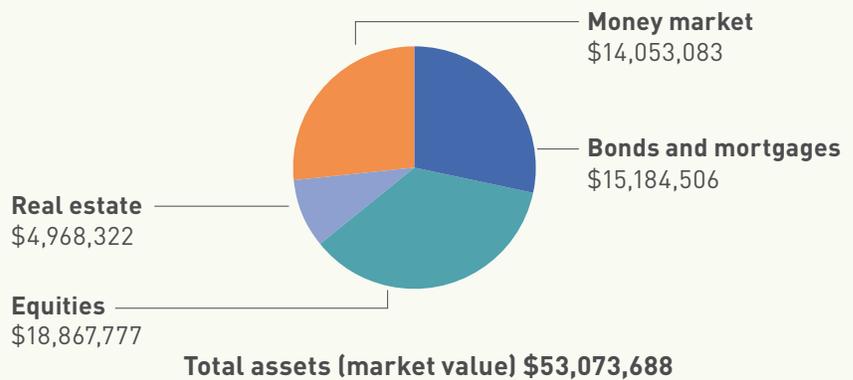
Although the value of our total investment assets dropped in 2023, our new investment policy and mix of assets help us maintain a well-diversified portfolio so we can pay our plan costs and build our reserves in difficult times.

Our New Investment Policy And Advisors

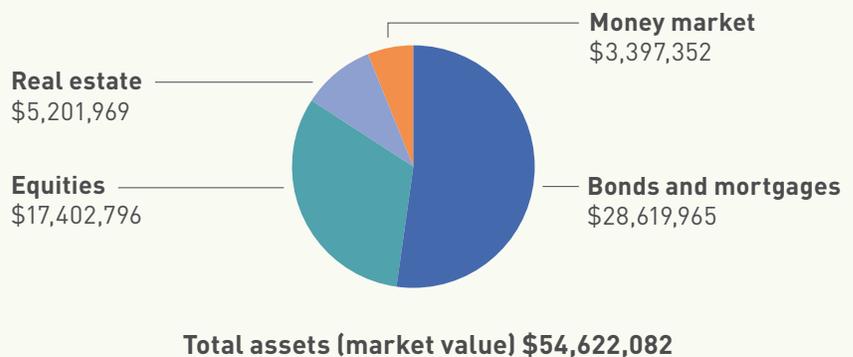
Early in 2023, the Trustees hired new investment advisors and revised the Trust’s investment policy. As part of this transition, following the guidance of Local 873’s Executive Board, our equity funds and some of our bond funds were mapped to fossil fuel-free funds in August 2023.

As the world continues to shift toward a clean energy economy, the change in our plan’s investment policy is both socially and financially prudent and will benefit the Trust in the long run.

2023 Asset Mix



2022 Asset Mix



FINANCIAL HIGHLIGHTS

Investment Returns

Annualized rate of return as of December 31, 2023

7.06%

3-year return

3.24%

5-year return

5.25%

Membership Growth

Union Members



2023
5,297



2022
5,078

Health/Dental Plan Members



2023
4,453



2022
4,412

Dependents



2023
3,794



2022
3,645



Benefits Paid on Members' Behalf

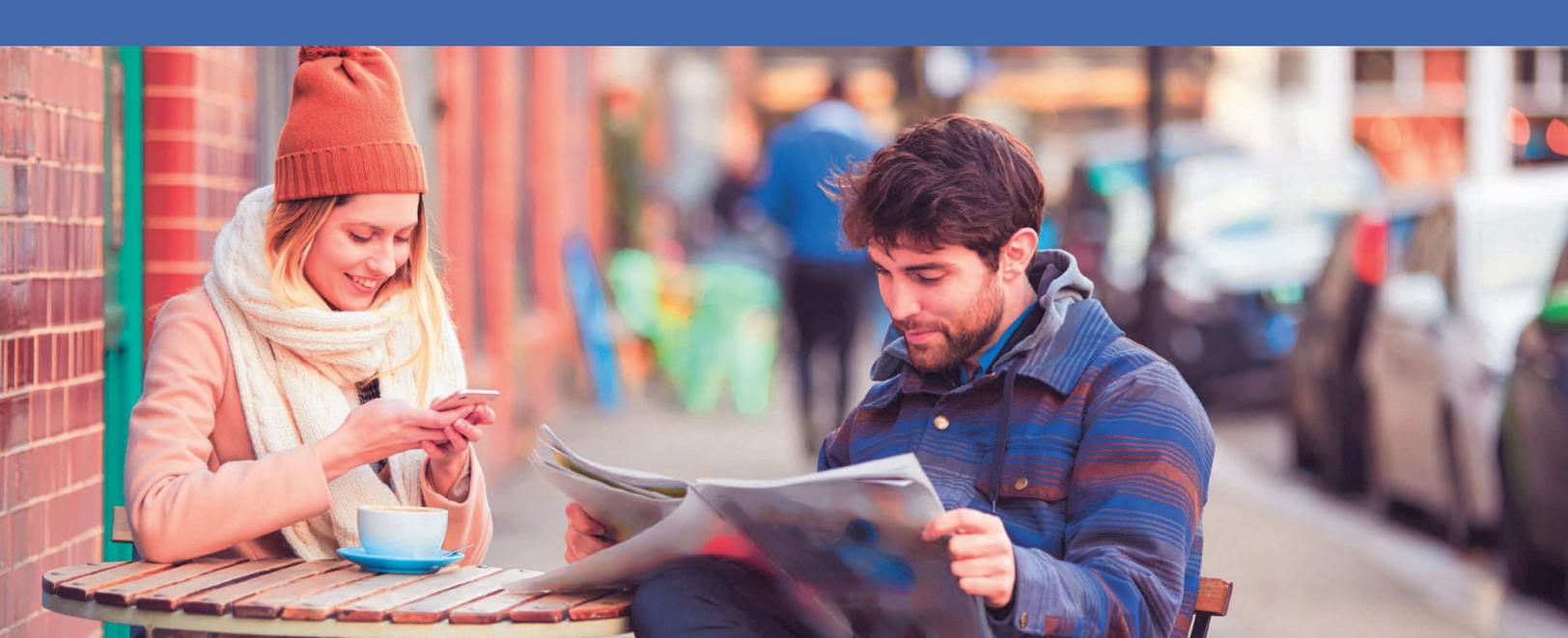
	2023	2022
Prescription Drugs	\$5,146,259	\$4,507,740
Dental Care	\$6,391,787	\$5,653,980
Extended Healthcare	\$3,957,133	\$3,332,691
Health Spending Account	\$976,419	\$791,312
Vision Care	\$805,906	\$828,470
Short-Term Disability	\$3,682,529	\$2,186,857
Member Assistance Program	\$220,856	\$181,487
Parental Benefits	\$212,083	\$187,274
Death Benefits	\$133,000	\$126,000
Addiction Care	\$158,836	\$115,413
Total	\$21,684,808	\$17,911,224

Group Insurance Premiums

	2023	2022
Life Insurance	\$2,228,769	\$2,216,111
Critical Illness Insurance	\$1,310,824	\$860,670
AD&D Insurance	\$186,729	\$178,687
Health Pooling Insurance	\$607,095	\$458,507
Total	\$4,333,417	\$3,713,975

Statement of Changes in Net Assets

	2023	2022
Surplus At Beginning Of Year	\$12,129,404	\$17,305,522
Income & Contributions		
Employer Contributions	\$15,225,831	\$25,439,655
Member Contributions	\$716,816	\$683,545
Contributions from General Fund	\$170,789	\$211,176
Investment Income	\$158,234	\$586,588
Gain/(Loss) on Sale of Marketable Securities – realized	\$1,487,240	\$722,273
Gain/(Loss) on Sale of Marketable Securities – unrealized	\$1,979,361	(\$3,612,790)
Total Income & Contributions	\$19,738,271	\$24,030,447
Disbursement & Expenses		
Increase In Claim Reserves	\$3,188,965	\$4,859,901
Increase In Hour Bank Reserves	(\$1,505,534)	\$412,304
Benefit Premiums And Payments	\$26,018,225	\$21,625,199
Administration Fees	\$1,991,740	\$1,879,963
Investment Management Fees	\$233,211	\$257,694
Other Expenses	\$195,328	\$171,504
Total Disbursement & Expenses	\$30,121,935	\$29,206,565
Surplus At End Of Year	\$1,745,740	\$12,129,404



FINANCIAL RESERVES PROTECT YOUR BENEFITS

Our plan has four different financial reserves to provide our active and retiree benefits plans with a financial safety net so we can continue to provide members and retirees with meaningful benefits over time. Reserves are critical to helping us pay for unexpected or rising healthcare costs, claims fluctuations, changes in health spending account balances, administrative expenses, or other financial uncertainties, such as economic downturns and poor investment fund performance.

Our Four Reserves Include:

1

Incurred but not reported claims reserve: covers the cost of claims that were incurred in the year, but members have not reported the claim by the end of the year.

2

Health Spending Account (HSA) reserve: covers unused HSA balances at the end of the year that members are expected to use in the following year.

3

Claims fluctuation reserve: covers unforeseen fluctuations in claim payments (for example, if healthcare costs are higher than expected due to inflation).

4

Retired member health plan reserve: covers a portion of the Trust's obligation for future retiree healthcare claims and expenses.

The amount we need to store in our reserves is determined by Eckler, our plan actuary, and is reviewed every three years. If it's determined that employer contributions and reserve funds are not sufficient to cover future plan expenses and the cost of benefits, the Trustees may be required to make changes to coverage. It's why it's so important that we all do our part to minimize unnecessary expenses to help keep our benefits plan healthy.



OUR PLAN. YOUR ROLE.

Our benefits plan is funded by contractual contributions from many participating employers. Our plan's financial health is maintained by investment policies and diligent financial management to ensure we have enough funds to cover plan expenses.

As a member, you can help us manage these costs and help us keep our benefits plan healthy by spending wisely on benefits and minimizing unnecessary expenses.

3 Tips For Keeping Our Plan Healthy



1

Check your bills from your health and dental providers to make sure they reflect the services you received.



2

Did you know professional dispensing fees can range from \$5 to \$15 or more? Try shopping around or negotiating a lower fee with your current pharmacy.



3

Ask your doctor/pharmacist for a 90-day supply of any maintenance (long-term) medications you or your family are prescribed. That means fewer dispensing fees for the plan – and fewer trips to the pharmacy for you!

ABOUT THE TRUST

As with other large multi-employer plans, IATSE Local 873 set up a Trust to run its benefits plan. Since the Trust is a separate legal entity, it operates at arm's length from the Union.

The Board of Trustees is responsible for overseeing all plan operations, including the investment of plan assets. Trustees have a legal obligation to act in the best interest of all plan members by engaging various experts to ensure the plan is appropriately managed – including an auditor, lawyer, benefits consultant, investment manager, actuary, and third-party administrator. The Trustees also attend educational sessions to ensure they stay current with issues related to managing a health and welfare trust.

Coming out of the December 2025 Union election, the Union and Trustees will expand the Board of Trustees by adding a fourth Trustee-at-Large. The four Trustees-at-Large will serve staggered terms, with two named at each Union election.

Trustee News

After serving as one of the original trustees for more than 14 years, Trustee David Charles retired in September 2024. We wish David well and thank him for his many years of dedication to our benefits plan.

On October 30, 2024, the Board of Trustees welcomed member Sheryl Willock, who will serve the remaining at-large Trustee term to December 2025.

Trustees	Board Advisors	Third-Party Administrator
Angela Mastronardi (President)*	Auditor – MNP LLP	AGA Benefit Solutions
Lisa Pacitto-Russo (Treasurer and Vice-Chair)*	Legal – Koskie Minsky LLP	
Joe Fraser (Chair)**	Benefits Consultant – Human Capital Benefits	
Sheila Pruden (Trustee-at-Large)**	Actuary – Eckler Ltd.	
Sheryl Willock (Trustee-at-Large)**	Investment Consultant – Eckler Ltd.	
	Investment Manager – Canada Life Institutional Investment Solutions	

*Serve as Trustees by the elected office

**Trustee-at-Large elected to a six-year term



Looking For More Information?

Check out IATSE Local 873's health plan website (www.873healthplan.com) or contact Canada Life toll-free at **1-855-729-1839**.

About This Report

This annual report is intended to inform the members of the IATSE Local 873 Health & Welfare Trust about certain aspects of their benefits plan. Complete descriptions of the plan can be found in the official plan documents. Care has been taken to provide an accurate summary of plan features and the financial status of the Trust. If there are any discrepancies between the information contained in this report and legal documents, the legal documents take precedence. While we intend to continue the plan indefinitely, the Board of Trustees, in its fiduciary capacity as "overseers," reserves the right to change, amend, or terminate the plan at any time, should unforeseen work stoppages, financial, legislative, or other such changes necessitate this action.