

# Operating Engineers' Pension Plan Update

GROWTH • STABILITY • ENGAGEMENT • ACTION

## OEPP Announces Historic Increase in Pension Benefits

Effective May 1, 2023, IUOE Local 115's Pension Plan members will enjoy an 11.5% increase in their Operating Engineers' Pension Plan (OEPP) benefit payments. Your Trustees are pleased to share this historic announcement, which is made possible through a combination of strong fiscal management, higher interest rates and the recent sale of our cooperative housing towers in Burnaby.

### OEPP in Strongest Position in Decades

With more than \$1.53B in assets, the OEPP is one of the most stable and robust pension funds in the industry. Since its creation in 1970, the OEPP's goal has been to provide our retired members with a steady income stream, through all economic conditions. The turbulence of the past three years offers a good example of our ability to weather volatility. Through the industry slowdowns in the early phase of the pandemic, to last year's record-breaking contributions as a result of our active members working around the clock to rebuild BC's transportation corridors after the November 2021 floods, Local 115 retirees can count on the long-term viability of the OEPP.

### Co-op Sale Enhanced OEPP Value

Last summer, we completed the sale of three co-op housing high-rises, which the OEPP had owned for some 40 years. At \$139,547,000, it was both one of the largest transactions in BC and one of the most complex. We knew that to feel good about the financial gains from the sale, our members would want the co-op's 425 units' residents to keep their affordable housing. Thanks to the dedication

of your Trustees and Brother Lee Riggs, Pension and Benefits Plans Administrator, we achieved that goal with a sale to The Community Land Trust.

Selling the co-ops was a vital part of making this pension increase possible.

### Largest Benefit Increase in Plan History

Your Board of Trustees knows how important your pension is to you and your family. We have all seen the impacts of recent inflation on the cost of living, and understand no one feels that more than retirees. With new changes to legislation, the OEPP is in the legal position to increase benefits for the first time in decades. This increase not only offsets the early 2000's adjustment that previous rules required, it will help retired members to meet life's growing expenses.

A benefit increase as high as 11.5% is almost unheard of. As always, your Trustees and your Union are committed to supporting you at every stage of your career. This is a change our OEPP is strong enough to sustain. Thank you for your ongoing support of our team, and helping make it possible to provide reliable retirement benefits to members of your Union.

In solidarity,



**Brian Cochrane,**  
Chair, OEBPP Board of Trustees



**OEPP**  
**11.5**  
**% INCREASE**  
**FOR**  
**115**

**iuoe**★  
LOCAL 115

OPERATING ENGINEERS' PENSION PLAN UPDATE  
JANUARY 2023

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## Planning for a Bright Future



With assets of more than \$1.5B, the OEPP is one of the largest pension plans in British Columbia. It's a plan members can be proud of. Over the years, we've weathered some difficult times and faced some tough decisions so we could ensure the OEPP could support members for generations to come. The plan is now in our 55th year and it has grown – just as Local 115 has grown – exponentially.

Last year alone, we saw \$71.1M in contributions, \$9M more than the year before. In part, that's thanks to our growing membership, which recently passed the 13,000 milestone. It's also due to strong collective agreements and the fantastic work so many members did on emergency and large-scale infrastructure projects to keep BC moving and our economy vibrant.

To help make the best financial decisions on your behalf, your OEPP Trustees invest time in ongoing education, with several having earned the Masters of Trust Management Standards designation. Together with actuaries and other key advisors, we monitor and adjust the OEPP's asset mix to provide stable, solid returns.

The OEPP's holdings include real estate, alternative investments, infrastructure, bonds and equities.



Lee Riggs, Administrator, OEPP

As advisors to the Trustees, we believe the plan is in a strong financial position to provide this benefit improvement to members.

– Greg Heise, Plan Actuary, George & Bell Consulting

## OEBP Health & Wellness Benefits Increasing

The new year marks enhanced benefits for Operating Engineers' Benefits Plan (OEBP) members as well. Retired, active and apprentice members of the OEBP will see a boost in their benefits, effective January 1, 2023.

### Introducing Your Health Spending Account

You are now eligible for a new \$500 annual family benefit that can be used towards the majority of services and health supports covered through Pacific Blue Cross, including:

- Vision care
- Most prescriptions
- Deductibles or other unpaid balances for benefits
- Dental and orthodontics

This is an entirely new benefit, in addition to all other coverage.

### Enhanced Vision and Dental Coverage

Substantial increases have been made to your coverage for:

- ↑ Vision care – **Increases to \$750**
- ↑ Major Restorative Dental Services (Plan B) – From **50% to 60%**
- ↑ Orthodontics (Plan C) – From **\$2,000 to \$3,000** in lifetime benefit.

## HISTORY & GROWTH OF THE OEPP

New Headquarters Opens at 4333 Ledger Avenue in Burnaby



OEPP reaches **100** retired members receiving benefits.

OEPP **invests in real-estate** with 3 co-op towers in Burnaby.

Protection and Security



**3,211** members receive a total of **\$2.1M** monthly.

OEPP passes **\$1B** in assets.

Burnaby Membership Meeting



OEPP increases benefit payments by **11.5%** on May 1.

1970

1971

1974

1975

1977

1978

1980

1995

1997

2000

2013

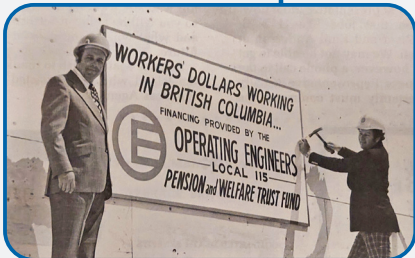
2015

2021

2022

2023

IUOE Local 115 creates OEPP. Employer contributions start at **7¢** per hour.



Union Sign Posted on Construction Project



Union Meeting District 1

25th anniversary of OEPP. **\$134.2M** in total benefit payments.

OEPP has **\$412M** in assets.

OEPP shifts from defined benefit to a target benefit plan design to enhance **long-term stability.**

**\$1.53B** in assets. **5,572** members receive **\$5.2M** total in OEPP benefits each month.

# Member Voices: A Financial Future You Can Count On



**Gary Coulter**, *Retired*

Gary Coulter began receiving his OEPP benefits in 2010, after retiring from a full career in civil works. He remembers the early days of the pension plan, which was created when he first became an Operating Engineer.

"I wasn't really thinking about pensions then, because I was young and plans like that were pretty new," says Gary. "I joined the IUOE for the wages. I remember non-union jobs were \$3.26 an hour and IUOE jobs were \$5.04. Our Union was recognized as having the 'best of the best' skilled people, and there was great pride in being part of that."

Still, Gary took then-IUOE Local 115 President Brother Jack Whittaker's advice to optimize his OEPP, and he credits the benefit with enabling a secure retirement.

"It's a really well-managed pension. It started with employers contributing a few cents an hour and now it's worth well over a billion dollars. It's been fascinating to watch the growth."



**Anna-Marie Knezevic**, *Active*

"My father was an Operating Engineer, so I first learned that we got a pension because he received it," says Anna-Marie Knezevic. "When he passed away, part of it transferred to my mother, so now she is taken care of."

Anne-Marie is ten years into her career as an Operating Engineer. She attended the Local's Training Association, became a journeyman in Haul Truck and Loader, and is a Shop Steward.

"As a Union member, not only do I get great wages, I'm also getting the bonus of money being put away for my retirement."

"I know I can count on my Operating Engineers pension. That means I can focus on other financial goals with my extra income like paying off my mortgage quicker, as opposed to contributing so much more to my own RRSPs. It also lets me do the things I enjoy, like golfing and going on vacations, both now and in my retirement."



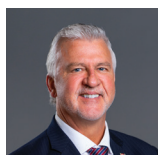
**Spencer Saffari**, *Recent Active*

Shop Steward and excavator operator Spencer Saffari joined Local 115 last August, after noting IUOE members had better access to B.C.'s biggest and most rewarding jobs. An avid outdoorsman, he enjoys working on large government projects.

He's also a big fan of the OEPP.

"My Dad gets a government pension, so I get to see firsthand how his hard work is paying off in retirement," says Spencer. "Now, I get to see my own retirement fund growing with every paycheck. It's a great benefit and it's really nice knowing that's going to be there for me."

## TRUSTEES



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