

PRESIDENT'S BULLETIN

POWER WORKERS' PROTECTION PLAN UPDATE

We are pleased to report that the PWUPP, which commenced February 26, 2007, has already been a success. Well over a thousand eligible members registered for this free insurance coverage in the first few days of operation. We've received much positive feedback from PWU members, as well as some questions. Set out below are answers to the main questions we've received, which will be incorporated into the FAQ of the PWUPP web site:

1. **Why aren't retirees eligible for the PWUPP?**

The Union carefully considered whether it could make accessible to its members and retirees a valuable insurance package. Cost combined with the number of retirees (which substantially exceeds the number of active members) made it impossible for the Union to do so, taking account of the requirement that the Plan be funded in a fiscally prudent manner. Regular members and PWU Hiring Hall members are eligible.

2. **Can retirees buy coverage at their own expense?**

HKMB, the Insurance Brokers in respect of the PWUPP, have been asked to structure a product that members of the PWU Retirees' Chapter can purchase directly from HKMB to provide coverage. Details will follow once the product is structured.

3. **What happens with respect to an active member who has registered for the PWUPP and then retires?**

A PWUPP member who retires retains title insurance on his or her registered property. The member remains covered for identity theft and legal defence for incidents that occurred during the last calendar year in which he or she was employed. Because of the premium payment structure arranged by the PWU, if a member retires in June of a year, but has his or her identity stolen in October of that year, they are covered for the incident. Moreover, if he or she is sued or charged criminally with respect to an incident that occurred in that calendar year (even if the suit was filed or the charges laid after that year), he or she would still be covered by the PWUPP in respect of that incident.

4. **Why does an eligible member have to make a phone call to the title insurer to obtain title insurance coverage?**

It is necessary for the member to call in to give the insurer the information about the member's property that the insurer needs to provide coverage. The Union does not have this information and cannot provide it for the member. Apparently, some members are hesitating to call in for title insurance because they're concerned about someone trying to sell them something. There is nothing to worry about. Nobody will be soliciting the members as a result of the call.

5. **Is the PWUPP a taxable benefit in the hands of the PWUPP member?**

Each member is responsible for their own income tax situation, but the opinion received by the PWU from tax counsel is that the PWUPP does not constitute a taxable benefit to those covered by the PWUPP. No T4 or T5 form will be issued in respect of the benefits.

The PWUPP provides eligible members with a very valuable insurance protection package at no cost to the member. The Union encourages its members to register by visiting the PWU web site (www.pwu.ca) and clicking on the PWUPP icon or by calling 1-877-393-0338 or 905-287-3481.

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President