



Local 1460 Alberta



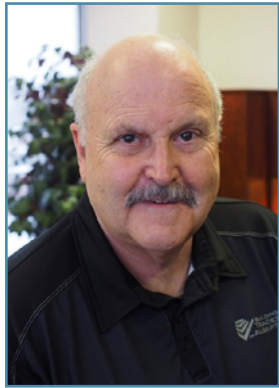
**MILLWRIGHTS'
HEALTH & WELFARE
TRUST FUND FOR ALBERTA**

AND

**MILLWRIGHTS 1460
PENSION TRUST FUND**

**ANNUAL REPORTS
for the Year Ending
December 31, 2014**

DELIVERING ON THE PROMISE



Your Boards of Trustees have a singular responsibility: to provide affordable health and pension benefits to you and your family.

To meet our responsibility, we continually monitor the financial health of the Trust Funds, from employer contributions to benefit payments, from invested assets to plan expenses. We are pleased to report that the Trust Funds are in excellent shape.

We rely on a diverse team of professionals to support our efforts. They serve to deliver immediate benefits and keep us focused on long-term plan stability and affordability. Concurrently, we ensure those professionals provide cost-effective services that deliver real value. We also participate in ongoing educational programs to keep our knowledge of Trust Fund governance current.

Our responsibility to your family extends beyond today. Pensions earned now are for a later retirement. Evolving needs and technology will necessitate future health plan design changes. So while we continue to meet today's obligations, we maintain our focus squarely on the future.



Bob Hugh
Chairman, Boards of Trustees

December 31, 2015

THE SUPPORTING CAST

The Trusts are supported by teams of professionals that deliver various services. Some of these professionals are mentioned below.

Your administrator, Prudent Benefits Administration Services Inc., performs the day-to-day administration functions of receiving contributions and maintaining your eligibility records.

The Great-West Life Assurance Company, your health plan insurer, adjudicates and pays your health benefit claims.

Al Scherbarth Professional Corporation is auditor to the Funds, performing annual audits that are available for review by plan members.

Two investment managers work to protect and grow your Funds' assets. Foyston, Gordon & Payne Inc. invests the Pension Fund assets, while Rouleau Investment Group invests the Health Fund assets.

Your actuary, Mercer Canada, provides pension advice, confirms the pension plan's funding, and files reports with the Alberta government.

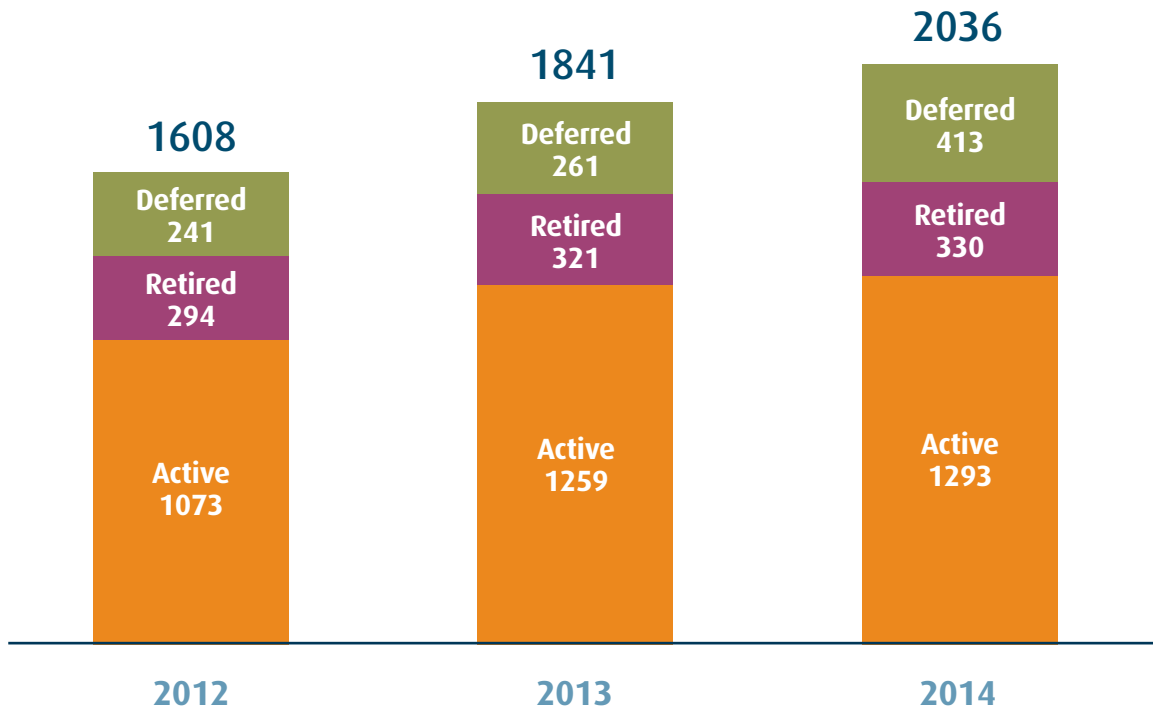
Benchmark Decisions Ltd. provides consulting advice on plan design, regulatory compliance, benefit costing and insurance underwriting.



A GROWING PENSION PLAN MEMBERSHIP

YOUR PENSION PLAN

Your pension plan had its start in humble beginnings, created in 1972 to provide a measure of retirement security to a small cadre of dedicated, unionized millwrights.



Over time, plan membership has blossomed. A recent further two-year increase in plan membership poses a welcome challenge.

While new members accumulate future pension credits, access the health plan, and share different perspectives on plan design and benefit adequacy, they also introduce additional economies of

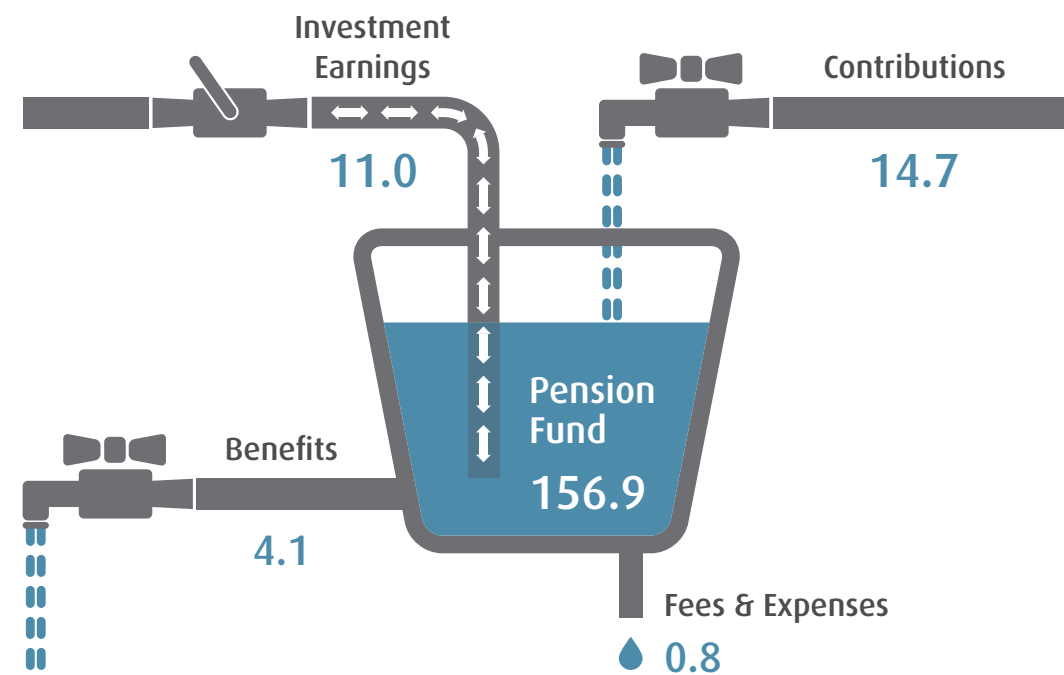
scale to the Funds. Pensioners enjoy well-earned retirements, while using the retiree health plan. Deferred members, meanwhile, wait until retirement to commence their pensions. The challenge of balancing the needs of all members is ongoing.

IMPROVING THE PENSION PLAN

As the pension plan membership grew, so did the Pension Fund assets. In 2014, the pension fund grew by 15%, from \$135.9 million to \$156.9 million.

With an annual 7.5% net investment rate of return, the Trustees were satisfied with the performance of the investment manager in 2014.

What happened to the Pension Fund in 2014?
 (\$ millions)



Growth in Pension Fund assets, to 111.9% of legislated solvency requirements, provided an opportunity for the Trustees to improve pension benefits at the beginning of 2014.

Active Members

Active members received two benefit improvements. The first was a retroactive increase in pension benefits accrued between 2008 and 2013, from \$90 to \$95.40 per 1,500 hours of credited service. The second increase was for pension benefits accrued from 2014, from \$90 to \$100 per 1,500 hours. Notice of those increases was included with the annual benefits statements mailed to each active member in June 2015.

Retired Members

Retired members were given three pension increases: a 2% increase, retroactive to January 2014, a second 2% increase retroactive to January 2015, and a third 2% increase for January 2016. Mid-year retirement commencements will receive a prorated increase to their benefits.

Deferred Members

Deferred members were also given three increases, similar to the retired members, of 1% per year, at the beginning of 2014, 2015 and 2016. Deferred members are also provided with the option of transferring their pensions elsewhere.

INVESTING THE PENSION FUND ASSETS

Pension Fund assets grew from \$135.9 million in 2013 to \$156.9 million in 2014.

In 2014, most asset classes saw increases in their invested amounts compared to 2013. International

equities decreased, as the investment manager chose to reallocate some resources to short-term investments, to take advantage of future improved international equity affordability.

MERGING WITH THE CALGARY MILLWRIGHTS

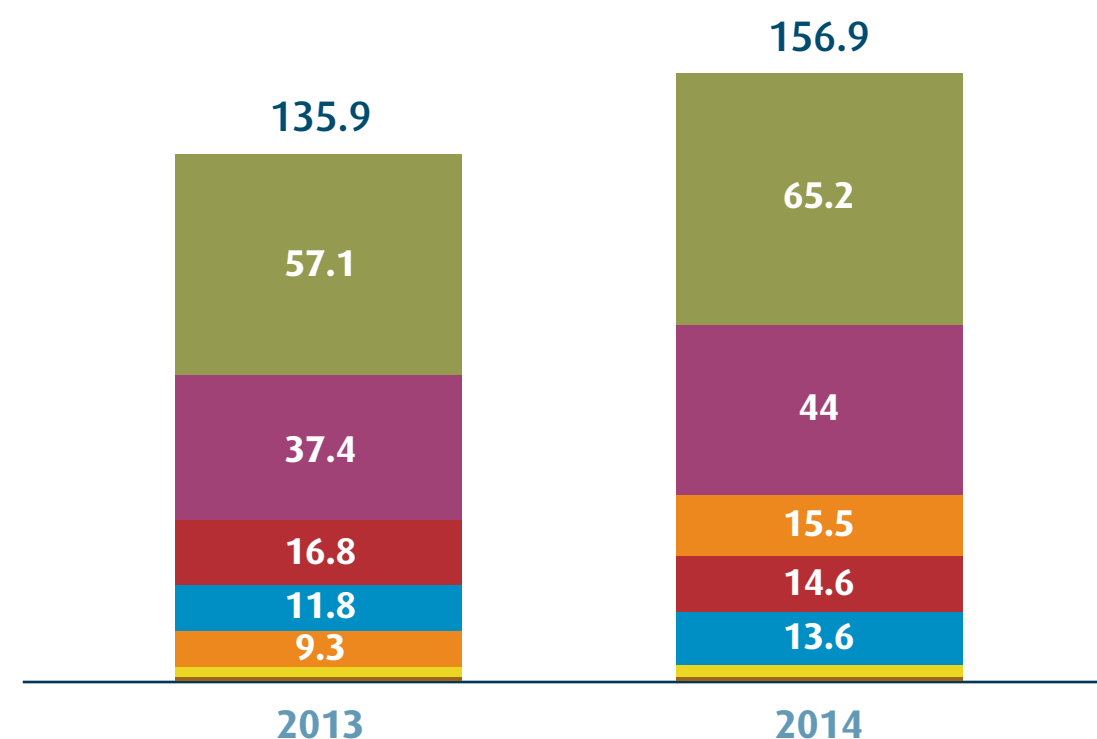
In 1997, the Calgary and Edmonton Millwrights Unions merged. However, the related pension plans remained separately administered. With the approval of the pension regulator, we are now in the process of merging the Calgary and Edmonton pension plans.

The merger of the Funds will have no effect on the pension promises made to existing members of

this Fund. Your pension amounts will not change. All of the Calgary pension assets will be transferred to this Fund, and the pension promises made to Calgary members will be funded from those transferred assets. Once the merger is complete, those former Calgary members will accrue new benefits in this plan and be treated the same as any other existing plan member.

PENSION PLAN INVESTMENTS (\$ millions)

57.1	Canadian Equities	65.2	Canadian Equities
37.4	US Bonds	44	US Bonds
16.8	International Equities	15.5	Short Term
11.8	US Equities	14.6	International Equities
9.3	Short Term	13.6	US Equities
2.7	Canadian Bonds	3.1	Canadian Bonds
0.8	Cash & Others	0.9	Cash & Others





YOUR HEALTH & WELFARE PLAN

For 48 years, your health plan has been there, providing financial support to you and your family during periods of medical necessity. The health plan is funded by employer contributions, and the Trustees are responsible for providing for the needs of plan members and their families, given the financial resources available. This report provides a snapshot of those efforts.

KEEPING YOUR FAMILY HEALTHY

The health plan experienced a 36% increase in expenses in 2014.

Those expenses largely represented money flowing back into members' pockets, reimbursing them for their dental, drug, vision, health and disability claim costs.

Increases were seen in every benefit category, with the largest increase being in dental claims reimbursements.

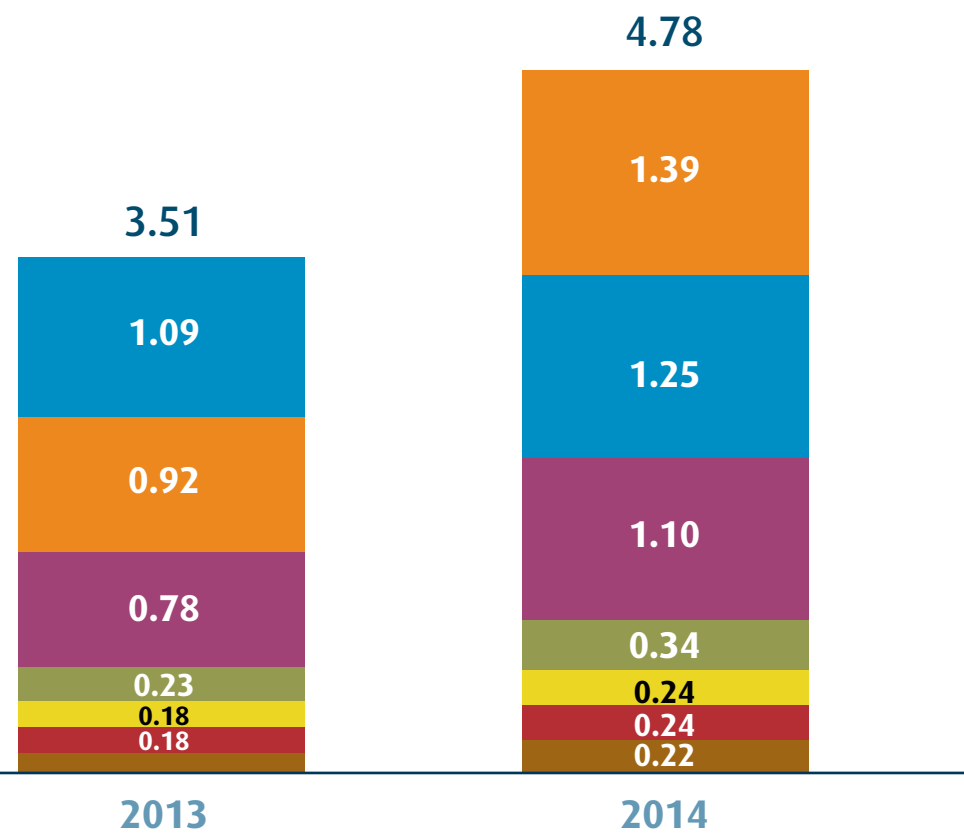
Dental expenses experienced a 51% year-over-year increase. Those increasing dental costs were driven by four factors: an improvement in the dental fee guide, the addition of retiree dental coverage, increased membership, and higher plan utilization.

Health Fund assets shrank from \$9.7 million to \$9.1 million in 2014 as a result of those increasing reimbursements.

Over the longer term, year-over-year increases of this magnitude are unsustainable and will require either additional funding or a modification to benefits.

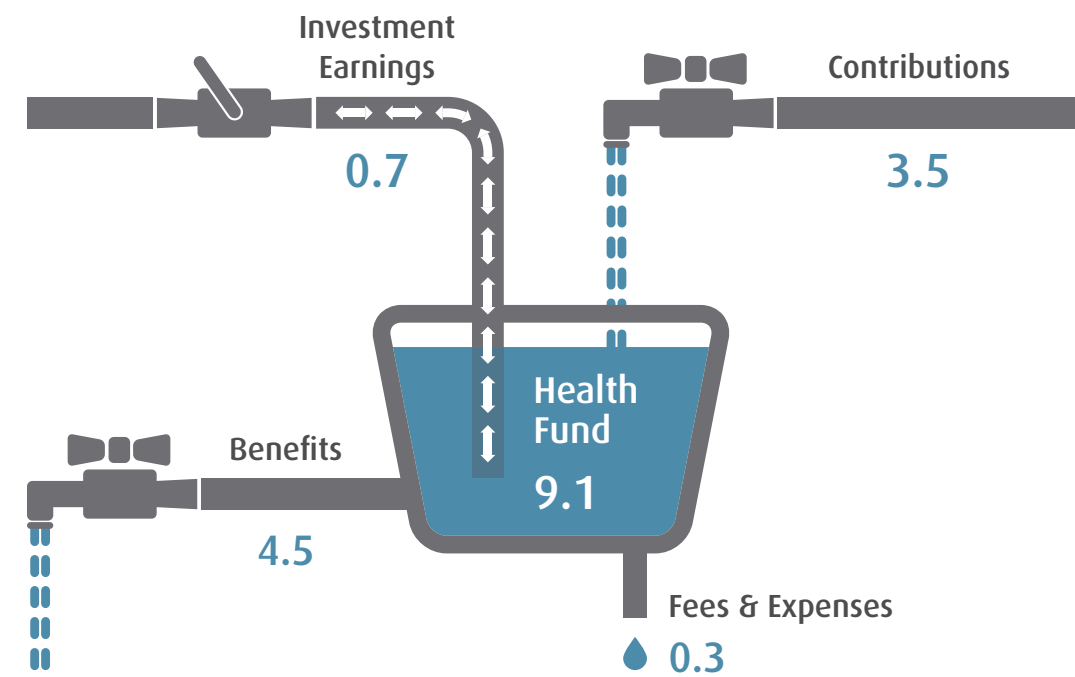
Members are encouraged to continue making prudent decisions when it comes to their health care purchases.

HEALTH PLAN EXPENSES (\$ millions)



HEALTH PLAN OPERATIONS

How did the Health Plan do in 2014?
(\$ millions)



YOUR BOARDS OF TRUSTEES

Two Boards of Trustees oversee your Trust Funds. Three Employer Trustees and four Union Trustees share the related governance responsibilities.

Employer Trustees



Gene Bartel
 Employer Trustee

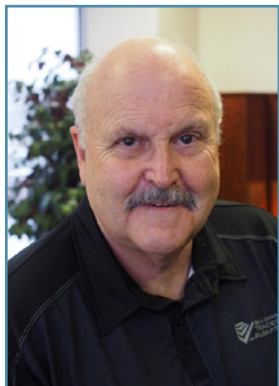


Ursula Buller
 Co-Chair

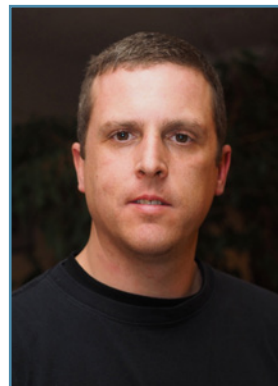


Monica Norminton
 Employer Trustee

Union Trustees



Bob Hugh
 Chair



Neal Hugh
 Health Trustee



Stan Howell
 Pension Trustee



Kyle Middleton
 Pension Trustee

OBTAINING MORE INFORMATION

If you are looking for more information about the operation of the benefit plans, or if you need to contact someone about your benefits, you can contact one of our professionals using the information below.

For General Inquiries About Health Plan Eligibility

Prudent Benefits Administration Services Inc.
 1-888-525-1460
mw1460@pbas.ca

For Health Plan Claims Payment Inquiries

Great-West Life Assurance Company
 1-800-957-9777
www.greatwestlife.com

For Inquiries About the Pension Plan

Prudent Benefits Administration Services Inc.
 1-855-250-3534
mw1460@pbas.ca



Local 1460 Alberta
Millwrights 

Millwrights' Health & Welfare Trust Fund for Alberta

1-888-525-1460

Millwrights 1460 Pension Trust Fund

1-855-250-3534

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Calgary, Alberta T1Y 5Z6

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Edmonton, Alberta T5M 2P6