



# Stelco non-USW Retiree Benefits Trust update

SSPO Annual Meeting  
Hamilton, October 2019



# Statement of Operations and cash flows, December 31, 2018\*

|  | 2018             | 2017             |
|--|------------------|------------------|
| <b>Contributions</b>                       | <b>\$million</b> | <b>\$million</b> |
| Stelco 'cash' contributions                | 5.044            | 7.459            |
| Mortgage Payments                          | 1.640            | 0                |
| Interest received                          | 0.069            | .004             |
|  | <b>6.754</b>     | <b>7.463</b>     |
| <b>Expenses</b>                            |                  |                  |
| Benefits claims payments (GSC)             | -4.557           | -0.811           |
| Claims admin fees and taxes (GSC)          | -0.822           | -0.150           |
| Legal, Professional, Consulting, insurance | -0.097           | -0.127           |
| Trust Administration fees                  | -0.156           | -0.088           |
|  | <b>-5.632</b>    | <b>-1.118</b>    |
| <b>Net</b>                                 | <b>1.122</b>     | <b>6.345</b>     |

\*net of Landco operations



# Statement of Financial Position, December 31 2018\*

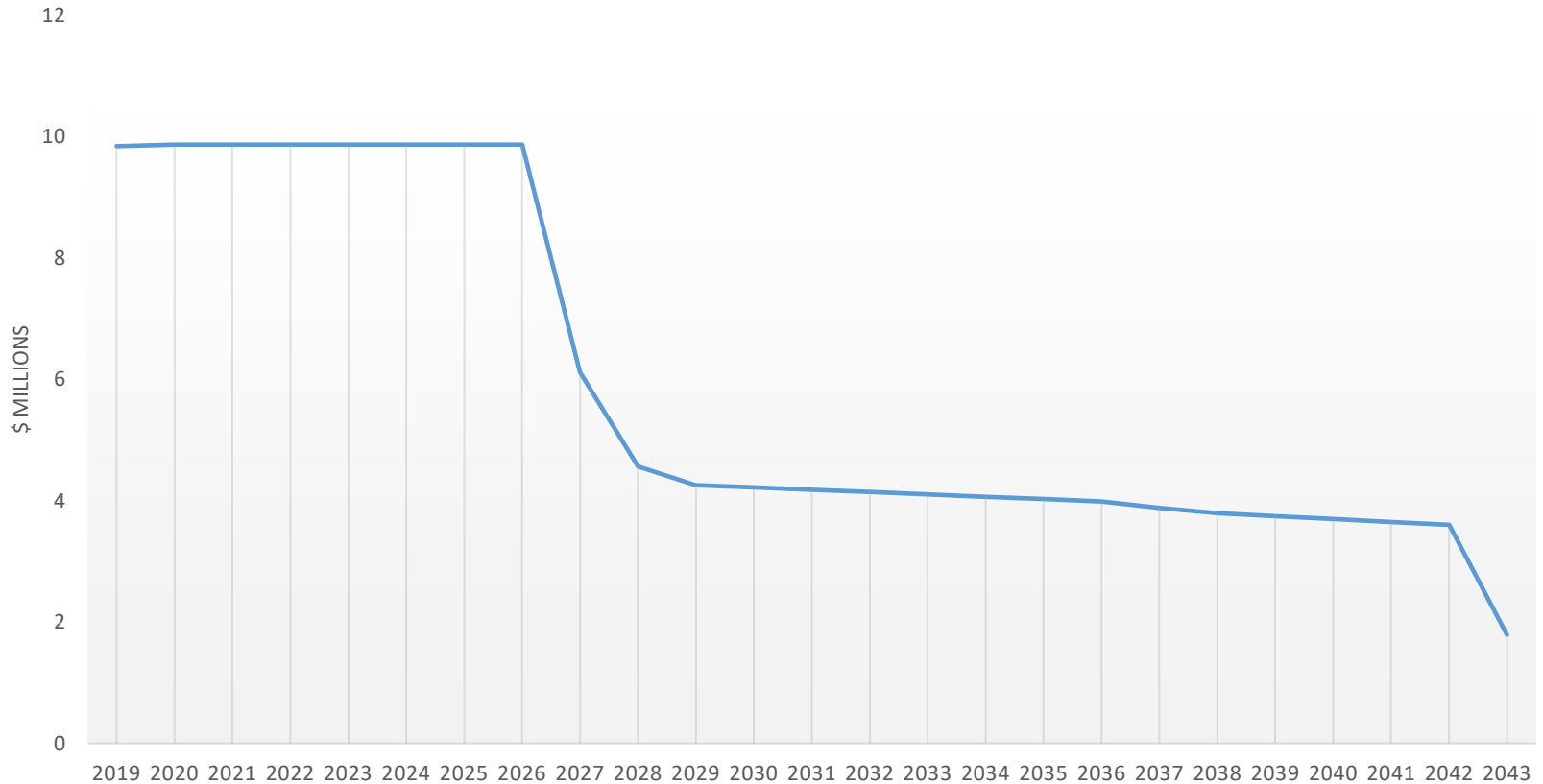
|         |  | Assets<br>(\$million) |             |
|---------|--|-----------------------|-------------|
| Current |  | 2018                  | 2017        |
|         | Cash   | 1.23                  | 1.12        |
|         | Investments (GICs and Fiera)                               | 6.26                  | 5.23        |
|         | Accounts receivable  | 0.00                  | 0.02        |
|         | Prepaid expenses   | 0.02                  | 0.02        |
|         |  | <b>7.51</b>           | <b>6.35</b> |
|         |  |                       |             |
|         |  | Liabilities           |             |
| Current |  | 2018                  | 2017        |
|         | Accounts payable, accrued liabilities and deferred revenue | -0.06                 | -0.07       |
|         |  |                       |             |
|         | <b>Net position (net of Landco operations)</b>             | <b>7.45</b>           | <b>6.28</b> |



# Estimated Future Funding\*

Stelco's contributions to the Trust decline by 50%+ beginning in year 11 (2027)

Estimated Future Annual Funding\*





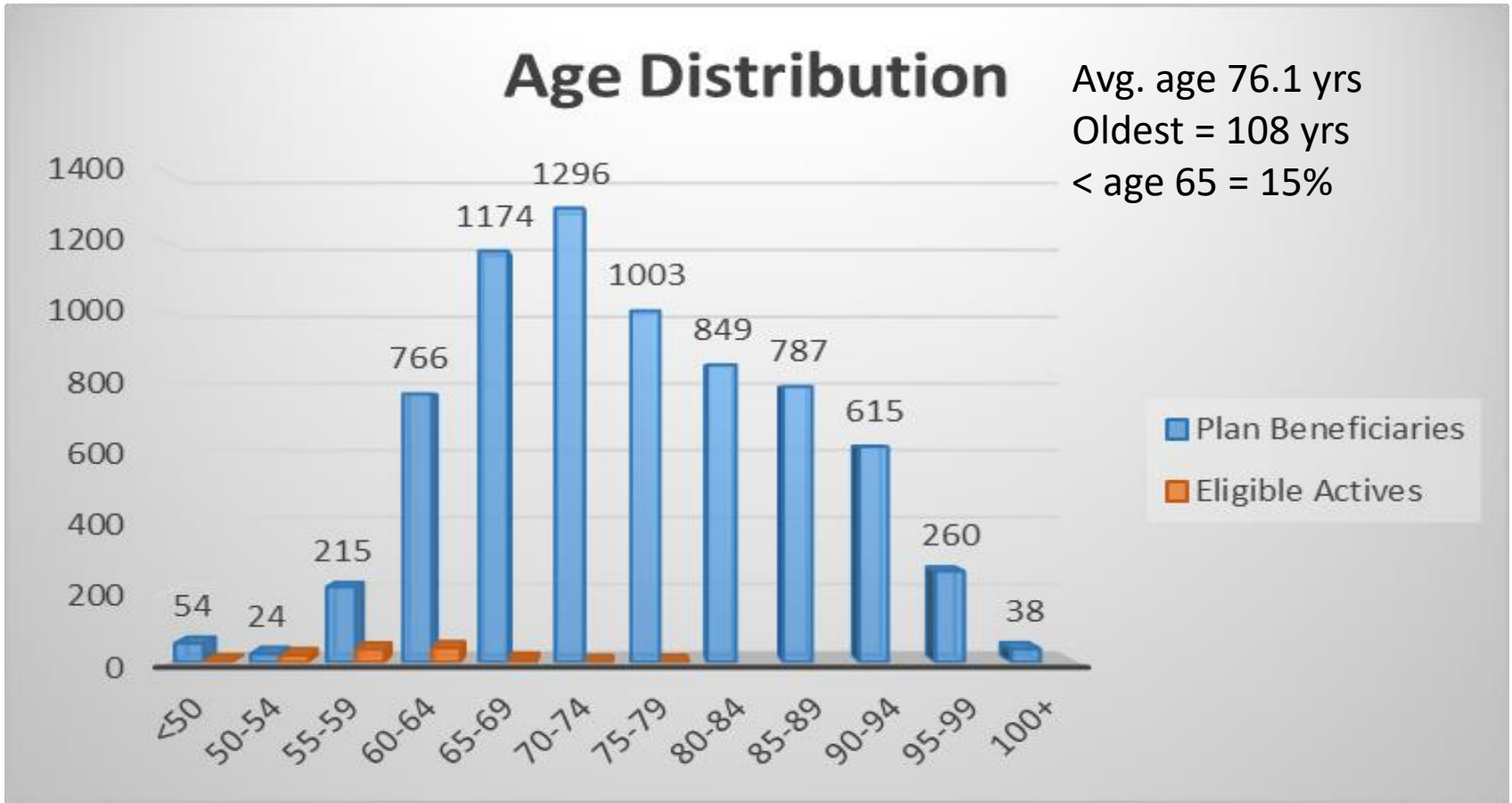
# Jan to Dec. 2018 StelTrust Claims Summary\*

|                                  | # of claims    | \$'s Paid in 2018  | % of Claims cost | % of Projected cost |
|----------------------------------|----------------|--------------------|------------------|---------------------|
| Prescription Drug                | 159,421        | \$2,174,423        | 47%              | 77%                 |
| Dental                           | 29,972         | \$1,614,204        | 35%              | 96%                 |
| Extended Health                  | 2,396          | \$360,692          | 8%               | 109%                |
| Vision                           | 1,896          | \$439,333          | 10%              | 93%                 |
| <b>Total claims</b>              | <b>193,685</b> | <b>\$4,588,653</b> |                  | <b>88%</b>          |
| Claims Admin + taxes             |                | \$832,121          |                  |                     |
| <b>Total claims expenditures</b> |                | <b>\$5,410,784</b> |                  |                     |



# Current Plan Beneficiaries and eligible active employees

Trust enrollment = 7081 beneficiaries, down 167 from June 30 2018



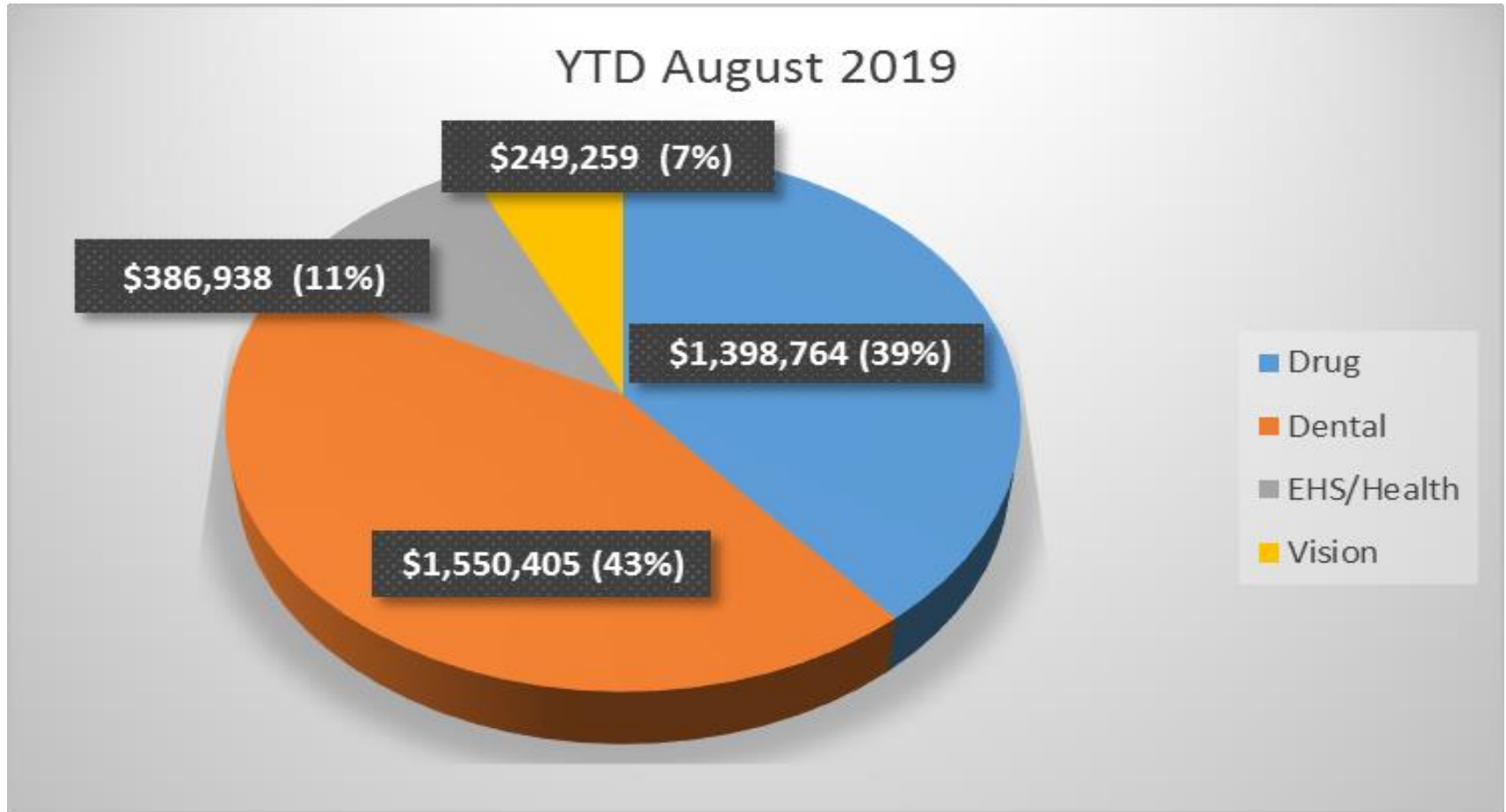


# Benefit Claims Summary

- 2019 Enhanced Plan → running under projected 2019 costs
  - Average claim \$ per plan participant +~18%
    - Annualized 2019 ~\$755 (2018 plan year = \$638)
  - Drug, Dental and Vision plans are running under projection.
  - Extended Health Care/medical equipment plan running well above projection.

# Claims spend by benefit area

Dental is top category (43%), followed by drug (39%)







# Extended Health / Medical equipment Categories (Top 6 categories) Q2 2019

|   | <b>Paid<br/>Amount</b> | <b>Avg.<br/>cost/claim</b> | <b>% of EHS<br/>claims \$'s</b> | <b>1<sup>st</sup> Half<br/>claims %'s</b> |
|---|------------------------|----------------------------|---------------------------------|---|
| Hearing Aids  | \$83,070               | \$863                      | 53%                             | 54%                                       |
| Respiratory/Cardiology<br>eqpt. and supplies (CPAP) | \$16,788               | \$151                      | 11%                             | 11%                                       |
| Orthotics and custom<br>footwear                    | \$9,315                | \$274                      | 6%                              | 6%  |
| Visco-supplementation                               | \$8,955                | \$358                      | 6%                              | 4.6%                                      |
| Incontinence / Ostomy                               | \$6,194                | \$88                       | 4%                              | 5.5%                                      |
| Knee braces   | \$5,197                | \$400                      | 3%                              | 4%  |



# Prescription Drug reminder

- Annually, in August, the Ontario Drug Plan (ODB) levies a \$100 deductible for covered drugs...
  - Charged to Ontario beneficiaries eligible for ODB covered drugs
- 2018 Ontario Drug Benefit \$100 deductible charge was corrected in the GSC system
- 2019 ODB deductible was levied in August 2019
  - **Trust plan pays the \$100 deductible for ODB eligible drugs at the level of the pharmacy**
  - **NO PHARMACY SHOULD BE CHARGING TRUST BENEFICIARIES FOR ANY PORTION OF THE \$100 DEDUCTIBLE - THIS CHARGE IS PAID BY THE PLAN**