

UNITED FISHERMEN'S BENEFIT FUND – THE UNION'S ANSWER

CFC HAS LAID SERIOUS CHARGES AGAINST THE UNION AND THE UFBF BOARD OF DIRECTORS.

The Board of Trustees are elected every 2 years and manage the UNITED FISHERMEN'S BENEFIT FUND on behalf of the members of the Fund.

The Board of Trustees has representatives from the Native Brotherhood of BC, Vessel Owners Association, and the UFAWU-Unifor.

The Fishing Companies used to have a seat on the Board; they asked to have it eliminated in 1989

CFC says they are concerned that the Directors are paying for Union staff out of the Fund. We show, below, that the Fund's staffing levels are reasonable and to keep costs down for both organizations, that the Union and Benefit fund share staff.

CFC states that the fund is not well managed because the capital reserve is large, Benefits paid are low, and the admin costs too high. In fact, as shown in GREAT DETAIL below the **United Fishermen's Benefit** Fund is a well-managed Fund that is FULLY audited each year by a respected independent auditing firm. The audit is done according to the Canadian Accounting Standards for Pension Plans, which is rigorous and very thorough.

The Auditors find that, except for the impossibility of determining if the companies' contributions are in compliance with the Collective Agreement, that the UFBF's financial statements represent fairly, in all material respects, the financial position of the Fund.

CFC states that the majority of the admin costs are for salaries for Union staff. This is not true. UFBF wage costs pay for the work done for the UFBF. Some staff is shared between the Union and the Benefit Fund, but each organization pays for its own work. See the information below.

CFC says that any fisherman can join the fund if they pay a nominal amount. This is not true.

CFC says that retired members only pay a nominal contribution to access full benefits. This is not true either.

COVERAGE:

- Salmon net fishermen, fishing for a company paying into the UFBF are members of the Fund for a full year as long as they belong to the NBBC, FVOA or UFAWU-Unifor.
- The companies also used to pay into the fund per ton of herring caught but no longer.

COVERAGE FOR OTHERS:

- The staff of the Native Brotherhood, Fishing Vessel Owners Association and UFAWU-Unifor are covered under the UFBF.
- Fishermen who fish in a 'non-agreement' fishery (eg troll, shrimp, prawns, crab) can be a member of the UFBF if they belong to the NBBC or UFAWU-Unifor and if they choose to pay a fee of \$500.00.
- Honourary (retired) members of the Brotherhood, Union or Vessel Owners who used to fish for a contributing company are also members of the UFBF, if they pay an annual fee into the Fund. They are eligible for reduced benefits only. In some years, payments into the UFBF by retired fishermen have exceeded that paid by CFC.

CFC suggests it can design a better system for fishermen. Be Careful! The cost to provide these same services, purchased from Blue Cross, Green Shield or Great West Life is between 350-400 per fisherman per month. Think they will spend that on you?

INCOME

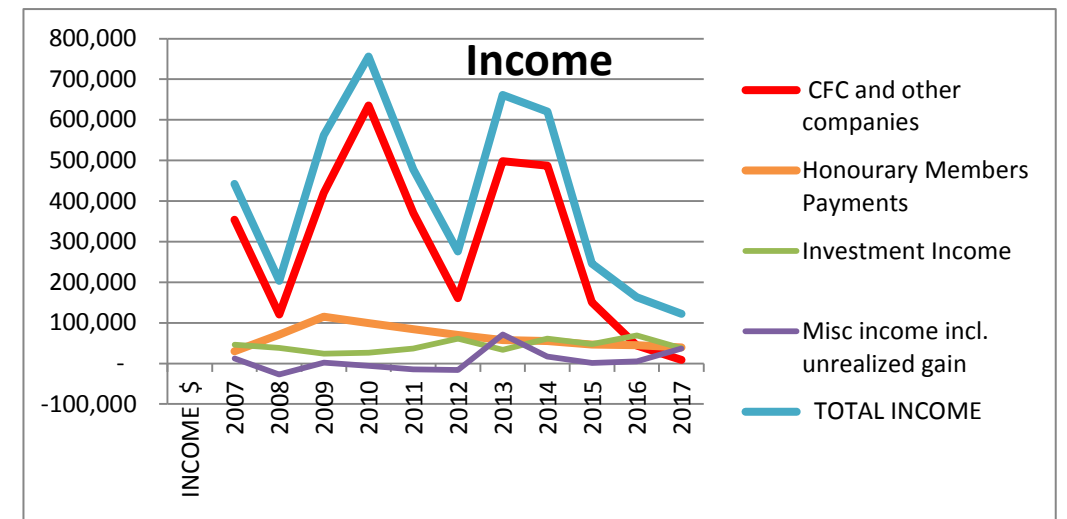
INCOME \$	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	compare 2017-2007
CFC and other companies	353,953	120,700	420,031	635,319	370,446	161,053	498,498	487,030	150,631	44,120	8,813	98% less
Honourary Members Payments	29,650	71,292	115,400	99,575	84,650	70,109	57,894	55,556	46,519	45,125	39,673	
Investment Income	46,545	38,064	24,403	26,694	37,045	61,348	33,743	61,043	47,822	68,694	37,220	
Misc income incl. unrealized gain	12,237	-27010.00	1,836	-5756	-14276	-16275	71,474	16,951	1,285	4,986	36,552	
TOTAL INCOME	442,385	203,046	561,670	755,832	477,865	276,235	661,609	620,580	246,257	162,925	122,258	72% less

Up to the mid – 1990s all the Fish Processors Bargaining Association companies paid into the fund – which included BC Packers, Canfisco, Ocean Fish (and Cassiar), JS McMillan and Seafood Products.

By 1998, CFC had taken BCP and Ocean (Cassiar) over, while JSM and Seafoods have been sold off. This leaves only two companies pay into the Fund – Canfisco and Canoe Pass Co-op.

The Agreement said that the signatory companies have to pay 2.5 cents per pound for net caught sockeye and 2 cents per pound for net caught pinks,

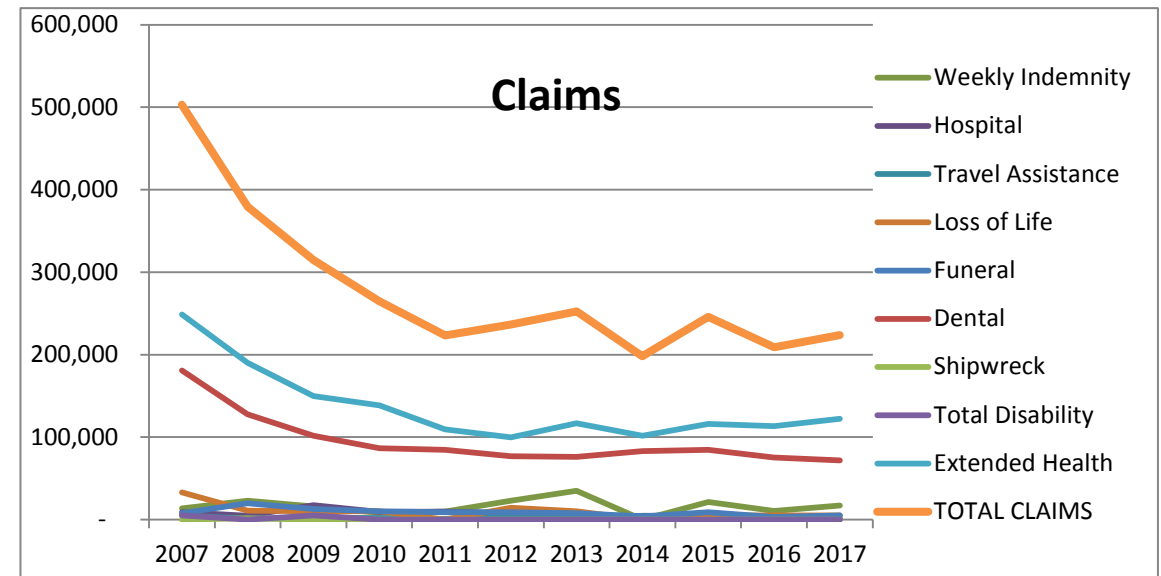
- With CFC withdrawing its payments, there is only one company left contributing into the Fund.
- Honourary Members (retired members) have been paying hefty amounts into the Fund each year.
- Investment income has gone up and down, depending on the size of the total Fund and the investment market. The UBF has two investment agencies looking after the Fund’s money: Van City Savings and Raymond James.
- The Fund’s investment strategy is to obtain a moderate rate of return with the overriding objective of preserving its capital. The Fund is fundamentally concerned with the management of financial risk and to do so uses a large credit union and also monitors the credit quality of its portfolio mix of fixed income securities. The Board uses a strategy of selling assets to meet immediate obligations where appropriate.



CLAIMS:

TYPE OF CLAIMS	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Weekly Indemnity	13,510	22,850	16,000	8,050	9,650	23,100	35,000	200	21,500	10,600	17,000	
Hospital	8,836	4,564	17,369	9,550	9,819	7,655	830	4,641	4,229	-	-	
Travel Assistance	5,001	1,171	1,989	2,136	923	5,502	5,835	4,224	5,294	1,551	2,509	
Loss of Life	33,000	11,000	10,000	10,000	-	14,500	10,000	-	5,000	5,000	5,000	
Funeral	8,000	20,000	12,850	10,100	9,000	9,000	8,000	4,000	9,000	3,000	5,000	
Dental	180,739	127,841	101,864	86,487	84,533	76,947	76,050	83,166	84,451	75,422	71,759	
Shipwreck	-	1,700	-	-	-	-	-	-	-	-	-	
Total Disability	5,000	-	5,000	-	-	-	-	-	-	-	-	
Extended Health	248,767	190,320	149,685	138,625	109,541	99,905	116,851	101,853	116,168	113,339	122,252	
TOTAL CLAIMS	502,853	379,446	314,757	264,948	223,466	236,609	252,566	198,084	245,642	208,912	223,520	44%

- Claims have decreased over time as the number of members has decreased over time.
- Dental and Extended Health Benefits are by far the most used by the members of the Fund.
- Claims have decreased by 56% over 2007-2017.



ADMINISTRATION COSTS

ADMIN COSTS \$	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	compare
												2017 to 2007
Board of Trustee meetings	5,479	3,350	5,902	3,689	2,936	5,365	4,048	3,473	1,814	1,398	2,226	41%
Ext Health (PBC charges)	20,986	16,038	12,616	12,662	10,310	9,399	10,519	9,021	10,909	11,170	12,806	61%
Audit	11,948	10,525	10,246	10,395	11,088	12,888	9,588	11,550	12,852	11,498	11,529	96%
Misc including insurance	20,866	16,716	16,336	18,862	17,923	23,343	20,581	17,698	15,191	16,607	19,737	95%
TOTAL STAFF	108,633	111,394	89,275	111,605	116,638	95,924	102,367	91,674	77,315	66,376	55,110	51%
ADMIN COSTS	167,912	158,023	134,375	157,213	158,895	146,919	147,103	133,416	118,081	107,049	101,408	60%

United Fishermen's Benefit Fund Administration: Administration costs are the costs of looking after the Fund and making sure the members of the Fund are paid their benefits.

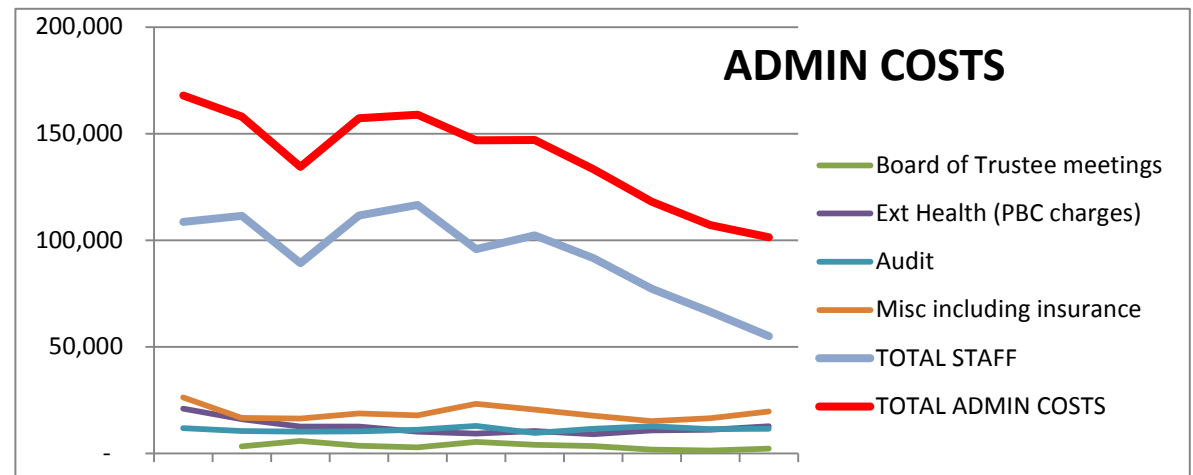
The UFBF also is responsible for safety and helps with Worksafe (WCB) – forms and appeals

- Someone has to do the books – include collecting and keeping track of the contributions into the benefit fund and ensuring the payments are recorded.
- Someone has to answer UFBF members' questions, help them fill out Benefit forms correctly, pay out benefits, keep track of limitations and generally administer the fund.
- Someone has to keep track of the Fund's investments and the returns to the UFBF and report to the Board of Trustees.
- The Fund also is responsible for a Safety Director and for WCB appeals and assistance.

2006-2016

Overall Administration costs have been reduced by 40%

Staffing costs have been reduced by about 50%, while providing the same levels of service to the members of the UFBF



The Union has always covered the cost of Rent and Unifor has paid the phone bill since 2014.

STAFF COSTS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
TOTAL STAFF	\$108,633	\$111,394	\$89,275	\$111,605	\$116,638	\$95,924	\$102,367	\$67,723	\$77,315	\$66,376	\$55,110		
Benefit Fund Director												2017 - one full time	
Benefit Fund Support Staff									laid off				2 part time
Safety Director/WCB										laid off			20% income cut in 2013
Safety/WCB/Support Staff												Part time staff also works	
Book keeping												for, and is paid by Union	
		3 full time staff					2013 - present All staff dropped to 4 days/wk (20% cost savings)						
		working 5 days/week					Cross hatch - staff paid part time by Fish Benefit Fund						

Up to 2012, there were 3 full time staff working for the UFBF and the Shoreworkers Benefit fund (which is funded by cents per straight time hour worked by shoreworkers and is completely separate – with different benefits. For example the Shore Benefit Fund does not cover extended health and dental)

In 2013, in order to reduce wage costs, the staff took a 20 % cut in income. Staff working days were reduced to 32 hours per week from 40.

Half way in 2014, the Support position was eliminated and this work was taken on by the Union’s Bookkeeper and by a Union staff member on a part time basis.

In 2015, the Safety Director / WCB position was terminated, and the work shared between a Union staff member and the Benefit Fund Director.

So from 2012 to 2017, the wage costs have gone down by 50%. The work load has not decreased by 50%, however, it is distributed differently, with much of it being done by Union Staff on a part time basis.

Union – Benefit fund Relationship

The Union shares the bookkeeper and support staff with the Benefit Fund. Each organization pays according to the work done. **It only makes financial sense to share staff.**

The Benefit Fund Director, as part of his job, goes out and talks to fishermen and shoreworkers (as he manages the completely separate Shoreworkers Benefit Fund as well) on the docks and in the plants.

The UFBF has always been linked with the Union. The Union is responsible for negotiating the Collective Agreement. The company makes Benefit Fund payments into the UFBF as part of the Agreement. Maintaining and expanding the Benefit Fund is a joint responsibility of the Union and the Fund’s Directors and Staff.

TOTAL FINANCIAL POSITION

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
TOTAL INCOME	442,385	203,046	561,670	755,832	477,865	276,235	661,609	620,580	246,257	162,925	122,258
TOTAL EXPENDITURES	670,765	537,469	449,132	422,161	382,361	383,528	399,669	331,500	363,723	315,961	324,928
ANNUAL SURPLUS			112,538	333,671	95,504		261,941	289,080			
DEFICIT	-228,380	-334,423				-107,293			-117,466	-153,036	-202,670
NET ASSETS	1,259,504	925,081	1,037,619	1,371,290	1,547,258	1,439,965	1,701,905	1,990,985	1,873,519	1,720,483	1,517,813

- The Total Income by year climbed and declined as the salmon runs went up and down – until 1015, when the company stopped paying according to the Union Agreement and started to make “voluntary contributions” instead.
- Total Expenditures have also gone down as CFC stated “ the number of fishermen has gone down”
- Net Assets (the total value of the UFBF) has gone down as the company payments decreased. The Trustees have, over the many years of the Fund, tried to balance a healthy capital reserve with a good level of Benefits.

As is shown in the Table above, in 5 of the last 10 years, the UFBF has run a surplus, increasing the net assets at the year’s end. The fund has also run a deficit in 5 out of 10 years, when the Trustees had to OK the sale of investments to pay for benefits.

The Fund will feel added pressure as more seine CFC fishermen become members as a result of the Certification. More fishermen members require more funding.

