LTD Premium Rate Effective July 1, 2019

Unifor

Rate Applicable to: Unifor Unit 1 (Staff), Unifor Unit 3 (Parking and Transit Services), Unifor Unit 4 (Special Constables)

McMaster University's Long-Term Disability (LTD) plan is an income protection benefit plan for eligible employees who become totally disabled as a result of non work-related illnesses or injuries. The LTD plan provides income replacement based on 75% of net income to a maximum monthly benefit of $7,000.

This is an employee-paid benefit and participation in the LTD plan is mandatory and is a condition of employment for eligible employees. The LTD plan is provided through Sun Life Financial.

Premium rates are experience-based by employee group. LTD rates are renewed each year and different premium rates are set for participating employee groups based on the volume and duration of claims incurred by members of that group. The claim experience for Unifor has worsened in the past year and Sun Life has advised that an increase in the premium rate is required.

Effective July 1, 2019, the premium rate will increase from 2.038% of base salary to 2.594% of base salary (plus 8% sales tax). LTD plan participants will first notice a change in their LTD premium deductions beginning in the July 19th pay deposit.

The University and Unifor continue to work cooperatively to discuss approaches intended to mitigate claims expenses and costs.

The following illustrates the effect of this change in premium rate:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Step 10 Rate (Hourly)</th>
<th>Converted to Annual</th>
<th>LTD Premium (plus tax) (24 deductions per year) *</th>
<th>Increase per Bi-weekly Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>$28.93</td>
<td>$52,833.24</td>
<td>$48.45</td>
<td>$13.22</td>
</tr>
<tr>
<td>8</td>
<td>$36.99</td>
<td>$67,552.77</td>
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<tr>
<td>11</td>
<td>$48.65</td>
<td>$88,846.77</td>
<td>$81.48</td>
<td>$22.23</td>
</tr>
</tbody>
</table>

*Calculation is: ((Annual Salary x Premium Rate)/24)*1.08 (PST)

Should you have any questions regarding the LTD Plan, please refer to the Total Rewards webpage or contact your area HR Advisor.

Additional information is also available in the LTD FAQs.