

RETIREE UPDATE

From the United Steelworkers and Representatives and Representative Counsel to Non-USW retired and active employees

Government Adds to the Transition Fund

In 2016 the Province of Ontario provided money for the establishment and maintenance of a transition fund (“**Transition Fund**”) to assist in addressing critical health care needs of Ontario resident USSC retirees and their eligible beneficiaries and to assist in them in transitioning to available programs.

On December 8, 2016, the government of Ontario announced that it would commit additional money to the Transition Fund. The amount provided will be the lesser of the amount required to keep the Transition Fund going until March 31, 2017 or \$2 million, plus administration costs of \$200,000. This means that funding under the Transition Fund for 30 day prescriptions and for certain emergency dental and other health benefits will continue until the fund is depleted or March 31, 2017, whichever is sooner.

New Retiree Fund

On August 17, 2016, the USW and the court-appointed Representative Counsel to the non-USW active and retired members brought a motion in court, asking Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order requiring U.S. Steel Canada Inc. (“**USSC**”) to restore funding for health benefits for retirees (“**OPEBs**”). On August 19, 2016, the Court dismissed the motion on the condition that USSC make a one-time contribution of \$2.7 million to the Transition Fund or to another fund to be administered on the same terms as the Transition Fund. Reasons for the decision were released by the Court on September 12, 2016.

While the decision of the Court is under appeal, USSC has made the \$2.7 million one-time contribution and has set up a fund (the “**Retiree Fund**”). **This Retiree Fund is separate from the Transition Fund established by the Government.**

The Retiree Fund, which will be administered by Green Shield Canada, will be used to:

- extend the benefits currently available under the Transition Fund to eligible retirees and their eligible spouses and beneficiaries (“**OPEB Beneficiaries**”) who are resident in Canada but who reside outside of Ontario; and
- provide a one-time reimbursement of up to \$100.00 to OPEB Beneficiaries for health services or supplies which were purchased after September 12, 2016 and which were not covered by the Transition Fund but would have been covered under the suspended USSC OPEB plan, such as dental care, glasses, medical supplies, massage therapy, physiotherapy or orthotics.

Claims made to the Retiree Fund are on a first come-first serve basis. The Retiree Fund will continue until it is exhausted or certain events occur, such as the implementation of a court approved plan of arrangement with respect to USSC. Further information regarding the Retiree Fund is set out in the enclosed materials.

RETIREE FUND LETTER

From the United Steelworkers and Representatives and Representative Counsel to Non-USW retired and active employees

On October 9, 2015, U.S. Steel Canada Inc. (“**USSC**”) suspended payment of certain health benefits (“**OPEBs**”) for USSC retirees and their eligible spouses and beneficiaries (“**OPEB Beneficiaries**”) pursuant to a court order as part of a cash conservation and business preservation plan. Life insurance coverage was not suspended.

Given the impact of the suspension of OPEBs on OPEB Beneficiaries, the Province of Ontario provided money for the establishment of a transition fund (“**Transition Fund**”) to assist in addressing critical health care needs and to assist in transitioning to available programs for OPEB Beneficiaries in Ontario.

On August 17, 2016, the United Steelworkers (the “**USW**”), and the court-appointed representatives of the non-USW active and retired beneficiaries of USSC (the “**Representative Counsel**”) brought a motion for an order requiring USSC to reinstate the payment of OPEBs (“**OPEB Motion**”). The Court denied the OPEB Motion (“**OPEB Order**”) on the condition that USSC make a one-time contribution of \$2.7 million to the Transition Fund or to another fund to be administered on the same terms as the Transition Fund (“**Retiree Fund**”). Reasons for the decision were released on September 12, 2016. While the decision of the Court is under appeal, USSC has made the one-time contribution of \$2.7 million and has set up a fund (the “**Retiree Fund**”). The Retiree Fund and benefits will be administered by Green Shield Canada (“**Green Shield**”).

The Retiree Fund is not a continuation or restoration of the USSC OPEB plan, which remains suspended at this time. USSC is not involved in the administration of the Retiree Fund.

The Province's Transition Fund remains in effect and will be provided in parallel with the Retiree Fund.

When Does The Retiree Fund Start? The Retiree Fund will be operational February 1, 2017.

When Will It End? The sooner of the money in the Retiree Fund running out, or certain other events occur, including such the date on which a court-approved plan of arrangement with respect to USSC has been implemented.

What Will The Retiree Fund Be Used For? The Retiree Fund will be used in 2 ways:

- a) to reimburse OPEB beneficiaries up to \$100.00 for eligible health benefits incurred after September 12, 2016 which were not covered by the Transition Fund; and
- b) to provide the same emergency dental and other health care benefits to out-of-province OPEB beneficiaries as OPEB beneficiaries in Ontario receive from the Transition Fund.

Who is Eligible to Apply to the Retiree Fund? To be eligible you must: a) be a retiree of USSC or his/her eligible spouse or beneficiary who was or would have been eligible for OPEBs under the USSC OPEBs plan as of October 9, 2015 or who became a retiree of USSC after October 9, 2015, and, had the USSC OPEB Plan not been suspended, would have been eligible for OPEBs; b) be applying for a benefit that is not covered by an alternative source of coverage (e.g. spousal

insurance coverage); and c) undertake to reimburse Retiree Fund in the event you receive funding for a benefit from both the Retiree Fund and another source.

How Do I Apply for the \$100.00 Health Benefit? As of February 1, 2017, you will be able to submit claims for eligible health benefits to Green Shield following the same process used under the suspended USSC OPEB plan, using your Green Shield USSC Health Plan Identification Number with the prefix "UST." Green Shield will review the claim and, if it is for a health benefit that would have been covered under the USSC OPEB plan and there is no alternative source of coverage to pay for the health benefit (i.e. spousal insurance), Green Shield will issue payment to a maximum of \$100.00 per covered beneficiary. Please note that Ontario law prohibits third parties, such as Green Shield, from paying a deductible for the Trillium Drug Plan.

How Do I Apply For an Out-Of-Province Benefit? If you are resident in a province other than Ontario, you may also apply for certain benefits that are covered for Ontario resident employees under the Transition Fund, namely: (i) prescription medications; and (ii) emergency dental and other emergency health care expenses.

If you are applying for reimbursement for prescription drugs that would have been covered under the USSC OPEB plan and there is no alternative source of coverage to pay for the drug (i.e. provincial coverage or spousal insurance), Green Shield will reimburse prescriptions purchased between January 1, 2016 and December 31, 2016, provided that no more than a 12 month supply of a particular drug will be eligible for reimbursement, and will pay claims for 30 day supplies of prescriptions purchased on and after February 1, 2017 until the Retiree Fund is terminated. To apply for reimbursement for prescriptions purchased between January 1, 2016 and December 31, 2016, you must use a Green Shield benefits claim form and attach both the original pharmacy receipt and the cash receipt for all prescriptions being claimed. Claims for prescriptions purchased on or after February 1, 2017 can be made following the same process used under the Suspended USSC OPEB Plan. All claims should be submitted under the retiree's Green Shield USSC Health Plan Identification Number, with the prefix USO.

To be eligible for payment of the emergency dental or other health benefit: a) the benefit must be medically necessary; b) you must not be able to pay for the emergency benefit or, paying for it would cause you economic hardship; c) the benefit must be one which was available under the USSC OPEBs plan; d) there must be no alternative source of coverage (e.g. spousal insurance coverage) that will pay for it; and e) if there is a provincial plan or you are the member of an insurance plan that might pay for it, you must have applied to the plan or be in the process of applying to the plan. If these criteria are met, you can submit an Emergency Dental and Other Health Expense Application Form (attaching a Green Shield Claim Form) to the Monitor in the USSC CCAA proceeding, Ernst & Young Inc. If the Monitor is satisfied that you meet the eligibility criteria based on the information you have provided in the Application Form, your request will be forwarded to Green Shield to determine if your request is eligible for payment. If you are eligible and the benefit you have applied for is covered, Green Shield will issue payment for the benefit.

Please note: the Emergency Dental and Other Health Benefits are intended to assist OPEB Beneficiaries who have critical health needs and who are not able to pay for them. The Emergency Dental and Other Health Benefits will not pay for routine, preventative or supplementary health care such as routine or preventative dental, routine hearing care, routine vision care, paramedical services like massage therapy, orthotics or physiotherapy, semi-private hospital, travel insurance, or psychological counseling.

Coverage is subject to availability of funds in the Retiree Fund and subject to the claimant meeting all other eligibility and coverage criteria.

How Will My Personal Information Be Used? If you apply for funding from the Retiree Fund, Green Shield will access personal information from the Suspended USSC OPEBs plan to adjudicate your request. An application for funding includes you or your pharmacist submitting a prescription for payment. Personal information will also be used by the Monitor and by Green Shield to ascertain eligibility for funding from the Retiree Fund. By submitting a prescription or other application for payment to the Retiree Fund, you will be consenting to the use of your personal information in these ways.

Can I Use my \$100.00 Health Benefit to Assist in Paying for an Emergency Dental or Other Emergency Health Benefit? Yes. You can either indicate on the Application Form that you want your \$100.00 health benefit applied or you can submit the claim through the same process used under the suspended USSC OPEB plan.

Where can I find more information? Further information regarding the Retiree Fund, the Application Form and Green Shield Claim Form is available on the following websites:

Ernst & Young www.ey.com/ca/ussc

Local 1005 www.uswa1005.ca

Local 8782 www.uswa8782.com

Koskie Minsky LLP www.kmlaw.ca/usscrepcounsel/ or email: usscrepcounsel@kmlaw.ca

Stel Salaried Pensioners Organization - www.stel-salaried-pensioners.org

If you do not have access to the internet, please call one of the following:

Non-USW members (i.e. Salaried Members) can call Koskie Minsky at their toll-free phone number at 1-866-777-6341

For members of the USW, please call your Local as follows:

Local 1005:

Tony McLaughlin (905)547-1417 ext. 4 tony.mclaughlin@uswa1005.ca	Ron Wells (905)547-1417 ext. 3 ron.wells@uswa1005.ca
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Local 8782:

Terry Barnard 519-587-2000 ext. 225 wsib@uswa8782.com	Mark Talbot 519-587-2000 ext. 301 vp@uswa8782.com
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