

ADVISORY LETTER

AL 20 – 01

May 28, 2001

TO: ALL FIR MEMBER COMPANIES

Gentlemen and Mesdames:

**Re: Elimination of Duplication of Payment for Statutory Holidays for
Employees on Weekly Indemnity**

Further to our AL 25-00 (Explanatory Notes), the Trustees of the IWA-Forest Industry Health and Welfare Plan #1 have now reached agreement on a Weekly Indemnity (WI) Payment Policy, which should eliminate the possibility of duplicate payments being made to employees who are on a WI claim shorter than 90 days and, therefore, are able to meet the qualifying conditions of Article XII, Section 3 of the Master Agreement.

The enclosed Letter of Understanding outlines the policy, which is effective for new claims, which commence after June 1, 2001.

In our AL 25-00, we advised employers to deduct the amounts paid for any Statutory Holidays by Pacific Blue Cross from the amount payable by the employer when making Statutory Holiday payments under the Master Agreement. This practice will no longer be required for claims after June 1, 2001, since Pacific Blue Cross will now be deducting the amounts they have already paid for Statutory Holidays from the employee's final WI cheque, if he is able to return to work within 90 calendar days.

Please call us if you need further explanation.

Yours very truly,



Thomas J. Getzie,
Vice President, Education and
Benefits Administration

LETTER OF UNDERSTANDING

Between

Forest Industrial Relations Ltd.

and

I.W.A. Canada

Re: Statutory Holiday Pay While on Weekly Indemnity Benefits

The Trustees agree that the principles currently contained in the Northern Interior Forest Industry Benefit Plan Text regarding Statutory Holiday payment will apply to Health and Welfare Plan #1. However, Health and Welfare Plan #1 will pay members who are on claim for Statutory Holidays as they occur but where such members are able to return to work within 90 calendar days, amounts paid for Statutory Holidays will be deducted by Pacific Blue Cross from the member's final WI cheque.

If the member returns to work without adequate notice to the carrier so that the final deduction is not made, the member will be required to reimburse Pacific Blue Cross. Preferably such reimbursement will be by payroll deduction from the payroll cheque containing the Company's payment for the Statutory Holidays which occurred during the period of disability.

The Trustees will implement this policy for a six (6)-month trial period, and if difficulties occur the parties to this agreement will meet in order to make a concerted effort to resolve those difficulties. The Parties may cancel this policy and implement the strict terms of the Northern Interior Forest Industry Benefit Plan Text in the event that the difficulties cannot be resolved.

Signed this May 22/01

Agreed to on behalf of

[Signature area for Terry Smith]

Terry Smith, I.W.A. Trustee,
IWA-Forest Industry
Health & Welfare Plan #1

[Signature area for Thomas J. Getzie]

Thomas J. Getzie, FIR Trustee,
IWA-Forest Industry
Health & Welfare Plan #1