

Ministry of Education

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Ministère de l'Éducation

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2014: B06

**MEMORANDUM TO:** Directors of Education  
Senior Business Officials

**FROM:** Gabriel F. Sékaly  
Assistant Deputy Minister  
Financial Policy and Business Division

**DATE:** April 29, 2014

**SUBJECT:** Health Care Benefit Plan Reserves

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In August of 2013, memorandum SB24 was issued detailing the reporting and approval process regarding the usage health care benefit plan reserves. This process was put in place due to the provisions of the memoranda of understanding (MOUs) signed by the sector's bargaining agents and the Ministry of Education. Memo SB24 indicated that the approval process was effective up to August 31, 2014 as this was the term of collective agreements within the scope of the MOUs. In the absence of a new agreement, provisions in the MOUs carry forward, unless they are bound by specific dates. As the related provision is not associated with any specific dates, the approval process will continue for the 2014-15 school year, or until a new agreement is reached which does not include an approval process.

### **Reporting and Approval Process**

Ministry approval is required when a rate reduction, premium holiday or withdrawal from surplus is being considered. An approval to withdraw from the benefit surplus may be issued in instances where a structural surplus exists within a benefit plan and where the board pays one hundred per cent of the premium. If a request for a lump-sum withdrawal is made and the premiums are co- shared by the board and employees, requests for approval will be considered if such a request is jointly made by the school board and the affected federation or union. An approval may be issued for a premium holiday or temporary rate reduction (up to August 31, 2015) without making a joint request with the affected federation or union, since both the employees and the school

board would benefit proportionately. This applies to all plans, including administrative services only (ASO) plans.

To receive a response by September 1, 2014, boards must submit their requests by June 30, 2014. Boards that have already reduced their 2014-15 premium rates should submit their request upon receipt of this memorandum. The attached approval form (refer to Appendix A) must be filled out for all Ministry approval requests. Additionally, reports from the board's insurance provider that support the amounts in the approval form must be submitted.

For any questions related to this memo, please contact Elizabeth Sinasac at [Elizabeth.Sinasac@ontario.ca](mailto:Elizabeth.Sinasac@ontario.ca) or 416-325-8527.

*Original Signed by*

Gabriel F. Sékaly  
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Financial Policy and Business Division