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2015: SB38

MEMORANDUM TO: Senior Business Officials
Secretary Treasurers – School Authorities
Business Administrators - Section 68 School Authorities

FROM: Marie Li
Director
Financial Analysis and Accountability Branch

DATE: December 21, 2015

SUBJECT: Provincial Benefit Plans - Employee Life and Health
Trusts (ELHTs)

I am writing to you on behalf of the School Board Trustee Associations, federations and unions, and the Ministry of Education to request information to assist in the implementation of the Employee Life and Health Trusts (ELHTs). Five Trusts are anticipated to be established as a result of both the recently ratified and tentative labour collective agreements at the nine central bargaining tables.

Currently, there are more than 1,000 different benefits plans throughout Ontario's 72 school boards. The inefficiency of maintaining such a high number of plans presented the province, Trustee Associations on behalf of the school boards, federations, and unions with an opportunity to unlock significant long-term savings through a modernization of benefits management and delivery. This will result in one of Canada's largest consolidation and rationalization efforts to improve the cost-efficiency and delivery of benefits.

The ELHTs will provide health, life and dental benefits to teachers and education workers on a sustainable, efficient and cost effective basis through a joint governance structure. There is a considerable amount of work for all the parties to complete for the Trusts to get up and running, and your help in completing in the attached templates will provide some of the financial details that are needed as we move into the implementation phase.

Transition Committee and Central Co-ordinating Committee

A Transition Committee for each ELHT (five committees) will be established to address matters arising from the creation of the trust and will be comprised of representatives from the school board trustee associations, the Crown, and the associated federation and union creating the ELHT.

A central co-ordinating committee has also been established with the purpose of identifying and addressing issues common to all the Trusts and to provide a central coordination of issues that will be dealt with by the transition committees established for each Trust. The committee has representation from all nine central bargaining tables.

Benefits and FTE (full-time equivalency) Data and Retiree Benefit Plan Data

To support the transition of school board and school authority benefit plans to the ELHTs, and to determine the one-time and on-going funding that is specified in the labour settlements, school boards and school authorities will be required to complete two templates: a Benefits Data and FTE template and a Retiree Benefit plan template.

Benefits and FTE Data

The Benefits Data and FTE template is designed to collect school boards' and school authorities' benefit costs and FTE data by central bargaining table and non-union group. A set of instructions is provided in the template to assist boards and school authorities in populating the benefits cost and FTE data accurately. In addition, the Ministry will schedule several Adobe training sessions in January to further assist boards and school authorities in completing the template. An e-mail with dates and times of the sessions will be sent out in early January.

The Benefits Data and FTE 2015 template includes multiple worksheets that will collect the following information:

1. Summary worksheet: calculates the benefits cost per FTE by central bargaining table and non-union groups based on the data input into the detailed benefits cost and FTE data worksheets.
2. FTE data worksheets: collect FTE data for all school board and school authority employees for two count dates, October 31, 2013 and 2014. The FTE worksheets are similar to the staffing information currently collected in Appendix H of the Education Finance Information System (EFIS) forms; however, it now requires a categorization of FTE information by central bargaining table. An FTE calculator worksheet is also included which prorates the FTE data input for October 31, 2013 and 2014 to align with the school board's and school authority's insurance carrier's statement period.

For all established trusts, the FTE information submitted for both count dates will be subject to specified audit procedures that will be completed by each board's external auditors by May 15, 2016.

3. Detailed Benefits Costs worksheets (by union and non-union membership): collect benefits cost data, by central bargaining table and non-union group, based on school boards' and school authorities' most recent insurance carrier's statements for a 12-month period ending no later than August 31, 2015. The template includes one worksheet for each central bargaining table and for other unions and non-union groups.

It is important to note that the Benefits Data and FTE template issued with this memorandum is in draft form and may be subject to change as the Ministry, Trustee Associations, unions and federations continue to work together to refine the template. A draft form of the template is being issued to provide boards and school authorities with advanced notice of the information being requested. A final Benefits Data and FTE template will be issued by the first week of January 2016.

Retiree Benefit Plan data

The Retiree Benefit Plan Data template is designed to collect benefit plan information for each school board and school authority retiree. The data collected will include a list of retirees, the date of retirement for each retiree, and whether or not the plan design for each retiree is fixed.

The Benefits Data and FTE template must be submitted to the Ministry no later than January 31, 2016 and the Retiree Benefit Plan data template must be submitted no later than February 12th, 2016. Both templates must be submitted to the following mailbox: **Benefits@ontario.ca**. When submitting the Benefit Data and FTE template, **school boards and school authorities must also submit a PDF copy of their most recent annual insurance providers' statements for a 12-month period ending no later than August 31, 2015 for each benefit plan.**

Sustainability of existing benefit plans

I would like to remind school boards and school authorities that, in order to ensure the fiscal sustainability of the existing benefit plans, they are not to make any withdrawal of any monies from any health care benefit plan reserves, surpluses and/or deposits nor decrease in benefit plan funding unless in accordance with the memorandum [2015: B04 – Process for board approvals for use of benefit plan surpluses during collective bargaining](#). This memorandum applies and will remain in effect until school board and school authority plans become part of the trust. As per the Letter of Agreements between the central bargaining tables, the School Board Trustee Associations and the Crown, school boards will continue to provide benefits in accordance with the existing benefit plans and co-pay arrangements until the plans are transferred to the trust.

For any questions you may have on the employee life and health trusts, I would encourage you to contact your School Board Trustee Association. For any questions on the benefits costing and FTE template, please contact:

- Doreen Lamarche at 416-326-0999
- Romina Di Pasquale at 416-325-2057

Original signed by

Marie Li
Director
Financial Analysis and Accountability Branch

cc: Superintendents of Human Resources