

**Ministry of Education**

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**Ministère de l'Éducation**

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**2017: SB27**

**MEMORANDUM TO:** Senior Business Officials  
  
Secretary-Treasurers of School Authorities (Isolate  
Boards)  
  
Business Administrators (Section 68 School Authorities)

**FROM:** Romina Di Pasquale  
Director (A)  
Labour and Finance Implementation Branch

**DATE:** September 14, 2017

**SUBJECT:** **Benefits Trusts Transition Update**

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The purpose of this memo is to provide school boards with an update on the status of the provincial benefits trusts transformation and other employee life, health and dental benefits (hereinafter referred to as “benefits”) related matters.

**BENEFITS TRUSTS UPDATE**

Over the past few months, the trustees’ associations and the ministry have been working with the Canadian Public Union of Employees (CUPE) as well as the Principals’ and Vice-Principals’ (PVP) Associations, and the Conseil des associations en éducation - Education Council of Associations for Benefits (CAEAS-ECAB), to establish the two remaining trusts for CUPE represented employees and non-union employees. While discussions continue in an effort to finalize both trust agreements, to facilitate a smooth transition of the remaining employee benefit plans by February 1, 2018, the third-party benefits administrators (TPA) and insurance carriers have been selected. CUPE has selected Ontario Teachers Insurance Plan (OTIP) as the shared services provider, Great West Life as the insurer for life, dental and extended health and Chubb

as the insurer for accidental death and dismemberment. The PVP and CAEAS-ECAB have selected Cowan Insurance Group as the shared services provider and Great West Life as the insurance provider.

Transition planning has begun, and we anticipate that the TPAs will begin reaching out to school boards in early September for information required to facilitate the transition.

In order to meet the timelines established, the parties have set up separate Trust Resolution and Action Committees (TRACs) to deal with transition related issues for each of the remaining Trusts, similar to the one established for the teachers' benefits trusts. One committee includes representatives from CUPE and the CUPE Education Workers Benefit Trust (EWBT) and the second committee includes representatives from PVP/CAEAS-ECAB and the Ontario Non-Union Employees' Trust (ONE-T) each of which includes representatives from the trustees associations, the ministry and the TPAs. We will be relying on school boards to meet the timelines established by the TPAs as reviewed and accepted by the TRACs to seamlessly migrate the CUPE and non-union employees to the trusts. We know that all parties will continue to work cooperatively and collaboratively with each other through the transition to ensure its success.

The Ontario Council of Educational Workers (OCEW) and the Education Workers Alliance of Ontario (EWAO) continue their efforts to join an established trust. Communication on transitioning the benefit plans of these groups to the trust will be sent to boards as details are made available.

## **BENEFITS COSTING TEMPLATES**

School boards were required to complete the Benefits Data and Full-Time Equivalency (FTE) Costing Template for 2014-15 to determine the start-up costs and on-going funding for the trusts. With the cooperation of the school boards, teacher federations, education worker unions, the Ontario Teachers Insurance Plan (OTIP) and the ministry, the due diligence review of the data submitted by all boards has now been completed, subject to final approval from the unions. As such, school boards will be informed of any necessary reconciliation adjustments to future payments to the Trusts and/or Grants for Student Needs (GSN) funding to boards by way of a ministry-issued letter to be released once a final reconciliation of 2016-17 FTE reported in boards' financial statement submissions is completed.

## **BENEFITS FOR DAILY OCCASIONAL TEACHERS**

As part of the existing agreements between some English language school boards and local bargaining groups, benefits are being provided to eligible daily occasional teachers. Since daily occasional teachers who are members of the teacher unions are ineligible to receive benefits through the trusts, alternate benefit plans are being developed with the cooperation of the trustees' associations, OTIP and the unions. The parties are working towards making a daily occasional benefit plan available for the Elementary Teachers' Federation of Ontario (ETFO) and the Ontario Secondary School Teachers' Federation (OSSTF) by November 1, 2017. Effective September 1, the Ontario English Catholic Teachers' Association (OECTA) will sponsor a benefit plan for daily occasional teachers employed by school boards that previously provided benefits

or access to benefit plan. School Boards eligible to offer this plan have been notified of the new enrollment process and their employer obligations for this plan.

Until further notice, this is a reminder to all boards with existing commitments in local collective agreements of their obligations to continue providing benefits to eligible employees while work continues on the development of an alternate benefit plan for daily occasional teachers.

## **RETIREES**

The migration of eligible retirees into the benefits trusts has been delayed to the 2017-18 school year based on dates agreed to in the 2017-19 contract extension agreements. Eligible retirees who were previously ETFO and OSSTF members will transition to those trusts by November 1, 2017. All other retirees will transition on or before February 1, 2018.

Until then, boards are expected to fulfill their current obligation of providing benefits to eligible retirees.

## **SURPLUS AND RESERVES**

The ministry, in collaboration with the trustee's associations and employee groups, is currently working on a methodology to determine the board's share and employee's share of any combined and segregated surpluses. The methodology being proposed would prorate a share to the board and to the employee group based on the process specified in the various benefits letters of agreements (LOA). The ministry will provide more details on the methodology once it is approved by the respective parties.

## **APPENDIX H Accountability**

During the 2014 round of central collective bargaining, the parties agreed to establish various Employee Life and Health Trusts (ELHTs) with the funding from the school boards and the ministry based on contribution amounts per FTE. It was agreed that school boards' reporting of FTE in Appendix H in the Education Funding Information System (EFIS) forms would be the mechanism by which the annual funding to the trusts would be determined. Consequently, accurate and consistent reporting of Appendix H has become essential.

In response to the added functionality of Appendix H, the ministry will be developing ongoing specified audit procedures to ensure that Appendix H is completed accurately and in accordance with ministry instructions. The ministry intends to form a small working group, which will be comprised of ministry staff and external auditors and will be tasked with developing and designing these procedures. As the specified audit procedures are being developed, school boards may be contacted for their valued input.

In addition, the working group will review how to better streamline Appendix H to make the reporting more efficient while still addressing the need for transparency and accountability.

## **TRANSPORTATION CONSORTIA AND TRUST ELIGIBILITY**

The LOAs on benefits, which form part of the 2014-17 Agreement on Central Terms, allow for employees of Ontario's publicly funded elementary and secondary education sector to be eligible for benefits in the trusts, and contemplate the inclusion of transportation consortia staff into the trusts. These entities relate to not-for-profit school board owned consortia established to find efficiencies in school board business operations.

Board employed staff working in a transportation consortium that are members of OSSTF-EW would already have been reported in previous submissions of Appendix H as they were reported as employees of the board and have already migrated to the OSSTF Trust along with other board employees.

To provide equity in the treatment of all consortia employees starting in 2017-18, the ministry will provide funding adjustments for benefits for all transportation consortia staff, whose employees participate in a trust.

For consortia employed staff, the consortium must designate one of its partner school boards to report and receive funding on their behalf by reporting the FTE on Appendix H. The partner board will be responsible for remitting payments to the trust for these employees. Further details on the reporting mechanism for transportation consortia are provided in Appendix A. Appendix H forms will be adjusted in the 2017-18 Revised Estimates forms to include a line for employees of transportation consortia.

For any questions, please contact Brad Partington at [Brad.Partington@ontario.ca](mailto:Brad.Partington@ontario.ca) or (416) 326-3804 or Emily White at [Emily.White@ontario.ca](mailto:Emily.White@ontario.ca) or (416) 325-8790.

### **Original signed by**

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Teacher Federations  
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Conseil des associations en éducation - Education Council of Associations for Benefits  
Trustees' Associations  
Ontario Teachers Insurance Plan  
Transportation Managers

## Appendix A – Transportation Consortia and Trust Eligibility

Many consortia currently select one of their partner boards to administer benefits on their behalf, with the school board recovering costs through reconciliation with the other partner boards in the consortium. In a few cases, consortia use a third party benefits administrator.

As all school board employees will be transitioned to the trusts by February 2018, current school board benefit plans will no longer exist to provide benefits to consortia employed staff. To continue the existing practice of receiving benefits from school boards, consortia employed staff will be eligible to receive benefits from the trusts, through a participation agreement.

### SCHOOL BOARD EMPLOYED CONSORTIA STAFF

No change - board employed staff working in a transportation consortium would already have been reported in previous submissions of Appendix H as they were reported as employees of the board and in some instances have already migrated to the trusts along with other board employees.

### CONSORTIA EMPLOYED STAFF

As part of the central collective agreements, the trustees' associations, federations/unions, and the ministry agreed that the funding amount to the trusts would be based on an approach where school boards are responsible for their 2014-15 actual benefits costs plus inflationary increases in subsequent years, and the ministry would provide a Crown contribution amount per FTE and a stabilization amount (positive and negative) to derive the agreed upon trust payment amounts. For reference, Memorandum 2016 SB:18 and 2016 B:16 outline the process and funding mechanism on the migration of school board employees to the trusts and corresponding ministry funding adjustments to support this transition.

Participation in the trusts is not mandatory. They are eligible to join a trust through a Participation Agreement between the consortium and the trust. A consortium may enter into multiple agreements depending on the number of employee groups. The Participation Agreement will outline the consortium responsibilities and obligations to the trust, including payment obligations.

New - for board employees (including those who have been seconded) working in transportation consortia, school boards will start to report their FTEs in Appendix H by employee group.

### Benefits funding methodology for consortia staff

The following process has been designed to allow consortia employed staff to attract funding for benefits administered through the trusts, starting in 2017-18:

1. The partner boards within the consortium are to select **one** partner board as the "Designated Board" for the purpose of reporting FTE on behalf of the consortium. It is expected that the Designated Board will be the board currently administering benefits and/or payroll, if applicable.
2. The 2017-18 Revised Estimates for school boards will be amended to include a section for

reporting the FTE of consortia employed staff. The Designated Board will report the consortia employed FTE (by employee group) for the consortium and only for the FTE of an employee group where a Participation Agreement is signed with the respective trust.

3. To determine benefit funding adjustments, the consortium will assume the Designated Boards' per FTE funding amount (including any inflationary costs) associated with the employee group in determining the amount of ministry funding amounts (i.e. stabilization and crown contributions) for the consortia employees.
4. The consortium, with their Governance Committee, will determine how employee data and employer benefits contributions to the trust are to be flowed.

### **Migration Timelines**

Once a Participation Agreement is signed by the trust and by the consortium for an employee group, employees can enter and begin receiving benefits through the trust. Consortia are encouraged to contact the trusts' third-party benefits administrator to begin the process of signing a Participation Agreement and working out the operational procedures of how to transfer employees to the trusts. In addition, consortia currently using a third party benefits administrator should provide sufficient notice according to their contractual terms for cancelling benefits coverage, in order to move to the trusts, should they wish to do so.

For trusts that have yet to be established and will migrate employees in 2017-18 (i.e., CUPE and non-union employees), the ministry encourages consortia to sign Participation Agreements with these trusts in anticipation of migrating their employees to the trusts with the Designated Board.

The ministry and the trustees' associations can offer assistance to school boards and consortia as you work towards establishing a Participation Agreement and migrating staff to the benefit trusts.