

Ministry of Education

Labour & Finance Implementation
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Ministère de l'Éducation

Direction de la mise en œuvre relative aux
relations de travail et au financement
Division des relations de travail et du
financement en matière d'éducation
2, rue Carlton
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2017: SB35

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: December 12, 2017

SUBJECT: **Benefits Trusts Transition Update #2**

I am writing to you today to provide school boards with an update on employee life, health and dental benefits (hereinafter referred to as “benefits”) matters related to the provincial benefits trusts transformation.

TRUST MIGRATION UPDATE

Over the past few months, the ministry and the trustees’ associations have been working with the Canadian Union of Public Employees (CUPE) and 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 trusts for CUPE represented and non-union employees. To facilitate a smooth transition of the remaining employee benefit plans, the date on which CUPE represented employees will transition to the Trust is now revised to March 1, 2018, and the date on which non-union employees will transition to the Trust is now revised to April 1, 2018.

School boards with affected employees should ensure they communicate this change to their insurance carriers to ensure the continuation of benefit coverage for its employees.

It is important to note that delaying employee's transition to the Trust does not exempt boards from working diligently towards the trust implementation. Boards are required to meet all the submission timelines provided by the benefits administrator. Failure to do so will impact an employee's experience in transitioning their benefits to the Trust (i.e. lead to delayed benefits coverage) and could potentially add costs to the program.

Benefits Trust Administrators' deadlines for submissions

The Benefits Trusts Administrators have provided deadlines by which boards were to provide employee data. These dates are either fast approaching or have already passed. In addition, there are a number of boards that are transitioning their data to a middleware system for which deadlines are now impending. I would like to impress upon all school boards the importance of meeting the deadlines set by the administrators as meeting these dates are essential for facilitating a smooth and seamless transition of employee benefit coverage through the various trusts. Each timeline that is missed will negatively impact the experience of your employees in receiving benefits through the trusts (i.e. delay in receiving benefits coverage) and could potentially add costs to the program. Please note, that if a school board fails to comply with the terms of the trust agreements, the ministry may withhold, or require the board to repay, all or part of the GSN grant until such time that the school board meets the terms of the trust agreements. School boards are advised to contact their trustees' associations or the ministry immediately if they are concerned with meeting the deadlines or providing the data requested by the timelines provided by the administrator.

SURPLUSES, RESERVES AND DEPOSITS ON HAND

POOLED APPROACH:

Memorandum 2017:SB27 – Benefit Trust Transition Update stated that the ministry, in collaboration with the trustees' associations and employee groups, is currently working on a methodology to determine the boards' share and employees' share of any **pooled** surpluses that exist prior to the implementation of provincial employee life and health trusts (ELHTs). Pooled surpluses arise when more than one employee group is pooled together and not tracked separately. This methodology is based on the language in the 2014-17 Letter of Agreements.

To assist with the finalization of this process, the ministry requests that school boards contact their insurance carrier(s) as soon as possible for an interim statement of all combined reserves, surpluses and deposits on hand. The interim statement date should be the day before the school board transferred its first employee group into a provincial ELHT. For example, where a school board transferred its Elementary Teachers' Federation of Ontario (ETFO) members to the ETFO ELHT on November 1, 2016 and transferred its Ontario Secondary School Teachers' Federation (OSSTF)

members to the OSSTF ELHT on February 1, 2017, and have not transferred any other employee group to date, the school board should be asking for an interim statement for **all** employee groups as of November 1, 2016. It is our understanding that the insurance carriers are able to provide an interim statement as noted above. Where school boards are unable to obtain this information, they should contact their Trustee Association.

A template letter is attached and can be forwarded to your carrier(s) regarding surpluses, reserves and deposits on hand should boards wish to use this template. If you use more than one carrier (i.e. one for life and another for health and dental) please complete one request for each carrier.

These interim statements should be forwarded to the ministry by February 9, 2018 and to benefits@ontario.ca. The file name should be the name of the school board with the name of the insurance carrier and the date of the statement (e.g. District School Board A, Manulife Financial, October 31, 2017).

SEGREGATED APPROACH:

Segregated surpluses arise from surpluses that were attributed to one specific employee group. These surpluses may be released to the ELHTs and the school boards sooner than pooled surpluses. Their distribution shall be based on the employer/employee share of premiums and the surplus that existed upon the transition date to the ELHTs and subject to the submission of a withdrawal request to the ministry.

Please send the withdrawal request, along with a statement from the insurance carrier indicating the surplus and/or reserve balance remaining in the segregated account, to Nicholas Grieco at Nicholas.Grieco@ontario.ca.

Please note that where there are active grievances related to surpluses, deposits and/or reserves, the 2014-17 Benefits Letter of Agreement (LOA) states that the amount in dispute shall be internally restricted by the Board until the grievance is settled.

For any questions, please contact Brad Partington at Brad.Partington@ontario.ca or (416) 326-3804 or Nicholas Grieco at Nicholas.Grieco@ontario.ca or (416) 325-8990.

Original signed by

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

Attachment: Letter to Carrier

cc. Andrew Davis, Assistant Deputy Minister, Education Labour and Finance
Division
Doreen Lamarche, Executive Director, Education Finance Office
Teacher Federations
Education Worker Unions
Principal and Vice-Principal Associations
Education Council of Associations for Benefits
Trustees' Associations
Ontario Teachers Insurance Plan
Education Workers' Alliance of Ontario
Ontario Council of Educational Workers