

**Ministry of Education**

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**Ministère de l'Éducation**

Direction de la mise en œuvre relative  
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**2018: SB12**

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

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

**DATE:** May 8, 2018

**SUBJECT:** **Implementation matters regarding non-union  
employees' benefits plan**

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In late 2015, we embarked on one of Canada's largest consolidation and rationalization efforts to improve the cost-efficiency and delivery of employee benefits in Ontario's education sector. Today, I am pleased to inform you that the goal of streamlining and harmonizing employee benefits plans is getting even closer as all remaining education sector employees will transition to one of the six Employee Life and Health Trusts (ELHTs) on June 1, 2018, leaving only school board retired employees to transition at a later date. This progress is a direct result of your continued hard work and dedication to this transformation and I would like to take this opportunity to express my appreciation.

In addition, with the recent establishment of the Ontario Non-Union Education Trust/Fiducie des employés non-syndiqués en éducation de l'Ontario (ONE-T/FENSÉO), I would like to provide you with further implementation details regarding the upcoming transition of non-union employee benefits to the ONE-T/FENSÉO.

As you'll recall, on March 8, 2018, the ministry issued a letter to all school boards sharing the current intentions of the Ministry of Education regarding funding for the Conseil des associations en éducation pour les avantages sociaux/Education Council Of Associations for Benefits (CAEAS/ECAB) benefits plan. The level of funding is based on the expectation that the CAEAS/ECAB benefits plan would contain an employee contribution of at least 5 per cent which boards would collect from their respective employees and remit to the ONE-T/FENSÉO.

Some implementation questions and issues have arisen regarding the March 8<sup>th</sup> letter as well as executive compensation under the *Broader Public Sector Executive Compensation Act, 2014* (BPSECA). More specifically, these questions relate to employee contributions and designated executives' benefits. The following is intended to provide guidance to school boards on these matters.

### **Employee contribution**

Some school boards may be considering paying the 5 per cent contribution on behalf of their employees. This approach would not be in keeping with the ministry's expectation as set out in the March 8<sup>th</sup> letter and could result in a change to the intended funding.

### **Unique school board employee benefits**

Some school boards have expressed interest in purchasing additional employee benefits for its non-union employees in an effort to more closely align the level of employee benefits to what may have existed under previous board-owned plans. Providing dissimilar benefits plans across school boards, unless required to fulfill previous school board obligations, undermines the CAEAS/ECAB benefits plan design, adds administrative burden, and does not align with the sector's common goal of transforming and harmonizing employee benefits.

I would also like to remind boards that benefits of designated executives must be in compliance with Ontario Regulation 304/16, *Executive Compensation Framework* (Framework). The Framework prohibits a designated employer from providing any element of compensation (e.g. an insured benefit) that is not generally provided to non-executive managers, unless it is required for the purpose of the designated executive position's functions or it is otherwise required for critical business reasons. If a board provides such a benefit based on one of these conditions, the executive compensation program must include a description of the benefit and reasons why it is required.

I trust that as we move forward with the transition of non-union employee benefits for CAEAS-ECAB to the ONE-T/FENSÉO, school boards will continue to support the sector's goal of harmonizing benefits by maintaining one common plan for all non-union employees.

**Original signed by**

Romina Di Pasquale  
Director  
Labour and Finance Implementation Branch

cc. Andrew Davis, Assistant Deputy Minister, Education Labour and Finance Division  
Doreen Lamarche, Executive Director, Education Finance Office  
Trustees' Associations