

**Ministry of Education**

Education Labour and Finance  
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**Ministère de l'Éducation**

Division des relations de travail et du  
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2020 : SB14

**Date:** September 9, 2020

**Memorandum to:** Senior Business Officials

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

**Subject:** **Process for Distribution of Certain School Board Surpluses and Reserves  
Related to Health, Dental and Life Benefits' Plans**

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Following the conclusion of the central negotiations, the ministry is starting to undertake a process to facilitate the distribution of some employee groups' life, health and dental benefits plans surpluses and reserves that exist outside of the various employee life and health trusts (ELHT) – notably the Canadian Union of Public Employees (CUPE), the Elementary Teachers Federation of Ontario (ETFO), the Education Workers Alliance of Ontario (EWAO), the Ontario Council of Educational Workers (OCEW), and the Ontario Secondary School Teachers Federation (OSSTF).

This process is described in the various Memorandum of Understanding on surplus and reserves forming part of the 2019-22 agreements on central terms whereby the distribution shall be based on the final surplus/reserve balances. As this approach has been endorsed by the Principals and Vice-Principals Associations' (PVP) and the Education Council of Associations for Benefits (ECAB), these employee groups shall also be included in this process.

For Ontario English Catholic Teachers' Association (OECTA), the distribution approach is subject to a central dispute resolution process. With regards to the Association des enseignantes et enseignants franco-ontariens (AEFO), the ministry is awaiting updated information from the insurance carrier for 11 French language school boards prior to facilitating the distribution of surplus and reserves to the AEFO ELHT. As such, once these matters are resolved, the ministry will provide further direction to the impacted school boards.

Given the aforementioned, the ministry will email a report to the English public school boards first over the coming days, detailing the school boards' benefits plans' surplus and reserves balances based on the most recent insurance carrier's statements provided to the Ministry of Education. The report will allocate the employer and ELHT share of the surplus and reserves by employee group based on the methodology described in the 2019-22 agreements on central terms. If the employees' shares were segregated or separately tracked by union/employee group, the shares will be distributed in accordance with the report.

The email will also ask school boards to confirm:

- 1) whether the information in the report is based on the final statement(s) from the insurance carrier,
- 2) whether employees contributed to any existing incurred but not reported reserves (IBNR) and/or the claims fluctuation reserves (CFR) and
- 3) whether any amounts are subject to grievances.

If the information in the report does not reflect the latest statement from the insurance carrier, the school board will be asked to provide an updated statement via email as soon as possible. Where necessary, the report will be updated to reflect the latest information and will be resent to school boards for review and confirmation. Following the review and confirmation, the report will be shared with the applicable union/trustee associations. Once reviewed by the unions/associations, final direction on the distribution of surpluses will be provided to school boards, unions and the ELHTs.

If you have any questions related to this process, please contact Nicholas Grieco at [Nicholas.grieco@ontario.ca](mailto:Nicholas.grieco@ontario.ca).

Sincerely,

Romina Di Pasquale  
Director  
Labour and Finance Implementation Branch

c: Directors of Education