



## OSSTF BENEFITS MEMORANDUM

To: Eligible OSSTF Teachers and Long-Term Occasional Teachers  
From: Donna Morrison, Executive Director  
Date: June 2023  
Re: **Renewal of the OSSTF Benefits Plan**

This communication is directed to all OSSTF contract and LTO (Long Term Occasional) Teachers who are eligible for participation in the OSSTF Benefits plan.

### **September 1, 2023 Renewal of the OSSTF Benefits Plan**

The OSSTF Benefits Plan health, dental and life insurance benefits provided by Manulife and AD&D (Accidental Death and Dismemberment) benefits provided by Teachers' Life, renew effective September 1 of each year. September 1, 2023 is the sixth renewal of the OSSTF Benefits plan.

A key principle that guides the OSSTF ELHT Board of Trustees in its work on behalf of plan members, is protecting the long-term sustainability of the OSSTF Benefits Plan while also ensuring comprehensive coverage for plan members and their eligible dependants. Achieving this balance includes responsible financial management and following best practices in the benefits industry.

The OSSTF Benefits Plan is funded by two sources:

**The negotiated FTE (Full Time Equivalent) Funding as outlined in the OSSTF Central Agreement for Teachers:** This is the major source of funding for the plan. The current level of FTE funding is \$6,174 annually per FTE including retail sales tax. This level of funding has been in effect since September 1, 2021. The funding has not changed as the OSSTF Central Agreement for Teachers expired August 31, 2022 and funding will be held at the current levels until a new Central Agreement is ratified.

**Plan member contributions toward the plan:** Plan member contributions toward the health and dental benefits are 6% of the budgeted premium rates for full time plan members (1.0 FTE) and are pro-rated for less than full time plan members. Since the plan member contributions have not changed since inception, they no longer represent this proportion of the plan costs. There are also member contributions for plan members who choose to participate in the Optional Life benefits and plan members who are on a leave of absence and choose to continue to participate in the plan.

In consideration of these factors, the OSSTF Benefits Board of Trustees have approved the September 1, 2023 renewal which results in **an overall increase of 5.2% to the cost of the plan**. By line of benefit, the approved renewal action is as follows:

- **Based on the demographics and life insurance risk of the eligible OSSTF Teachers, a reduction of 12.3% to the Basic Life insurance rate and no change to the Basic AD&D rate:** For active plan members, the Basic Life insurance and AD&D premium is funded through the negotiated FTE funding; this will not have an impact on plan member contributions. It will result in a slight decrease to the T4As issued annually for these taxable benefits.
- **A reduction of 10% to the current plan member paid Optional Life rates and no change to the member paid Optional AD&D rates:** This will result in a slight decrease to the monthly premiums for plan members who are participating in the Optional Life and AD&D benefits. **NOTE:** Optional Life rates are based on 5-year age bands. Therefore, if a plan member or spouse's age brings them into the next 5-year age band, these premiums will change. OTIP will advise plan

members of this age band rate change. Plan members and spouses always have the option of reducing or cancelling their Optional Life coverage.

- **Based on past and projected claims experience of the health and dental benefits, an increase to the health rates of 5.1% and to dental rates of 8.7% that the plan pays to the carrier is necessary. However, the OSSTF Benefits Plan has approved that the current level of plan member contributions be held through the September 1, 2023 renewal:** This means that there is **no change at this time** to the health and/or dental plan member contributions for both active plan members and those on leave who are participating in the health and/or dental benefits.

The claims experience of the OSSTF Benefits Plan will continue to be monitored regularly by the trust. **IMPORTANT:** Based on the evolution of the plan's claims experience and the status and potential outcome of negotiations of the OSSTF Central Agreement, it may be necessary to implement an increase to the plan member contributions and/or implement some cost containment changes to the plan. If necessary, plan members will be provided advance notice of any change, but the effective date of the change may be prior to the next scheduled renewal date of September 1, 2024.

### **Transition to direct billing of plan member contributions for eligible OSSTF Long Term Occasional Teachers**

Direct billing (i.e. pre-authorized debit deductions) of plan member contributions towards the benefits plan is in force for other ELHTs and has been utilized by OSSTF Benefits when the new location/classes of OSSTF plan members have been implemented into the OSSTF Benefits plan. For example, all eligible **Long Term Assignment Education Workers** for all OSSTF Education Worker Bargaining Units that have been eligible for participation in the OSSTF Benefits Plan since September 1, 2020 have been set up on a direct billed basis for plan member benefit contributions, rather than through payroll deductions.

The direct billing of plan member premium contributions towards the benefits plan has proven to be more efficient than payroll deductions for active plan members.

Effective September 1, 2023 direct billing of plan member contributions **will be implemented for eligible OSSTF Teachers who are in an eligible Long Term Occasional Teaching position of 90 calendar days or longer.** The process for establishing the direct billing of plan member contributions for eligible members in LTO positions is as follows:

- During the enrolment process, if a plan member elects to participate in benefits that are partially (health and/or dental benefits) or fully (Optional Life benefits) member paid, a PAD (pre-authorized debit) authorization for the payment of plan member contributions from their bank account is required. Plan member contributions from the effective date of coverage will be withdrawn from the plan member's bank account on the 10<sup>th</sup> calendar day of each month, or the next business day after the 10<sup>th</sup> of the month.

### **Transition to direct billing of plan member contributions for all other eligible OSSTF plan members**

Effective February 1, 2024, direct billing of plan member contributions (rather than payroll deduction for active plan members) for all remaining and newly eligible OSSTF plan members will be implemented. Further information will be communicated to all from OSSTF Benefits prior to this transition, and detailed requests will be sent by OTIP to affected plan members to obtain the PAD authorization prior to the February 1, 2024 transition date.

If you have any questions, please contact Donna Morrison, Executive Director at OSSTF Benefits, at [donna.morrison@osstfbenefits.ca](mailto:donna.morrison@osstfbenefits.ca).