

## IMPORTANT INFORMATION REGARDING THE RECENTLY ANNOUNCED CHANGES TO YOUR BENEFITS PLAN



Last week you received a communication from the OECTA Employee Life and Health Trust (ELHT) regarding changes in coverage provided by the ELHT Benefits Plan. OECTA has received questions from members regarding these changes and is providing the following information.

### **What is the ELHT and why are teachers' benefits no longer provided by school boards?**

During the 2008-2012 round of negotiations involving OECTA, school boards advised the government that they could no longer afford the benefit plans outlined in collective agreements with teachers and asked the government to roll back the coverage levels or provide additional funding. The government responded by creating the Technical Working Group on Benefits (the TWGB) as the first step in the implementation of province-wide benefits plans to replace board-level benefits plans for all education-sector employees.

Coming out of the work of the TWGB and as part of the subsequent round of negotiations, benefit plans for all public sector employees in education were transferred to Employee Life and Health Trusts (ELHTs). The Board of Trustees for the OECTA ELHT consists of 9 individuals, 4 chosen by OECTA and 3 chosen by the Trustees Association and the Government plus 2 independent experts. Under Canadian legislation, the board of trustees have a fiduciary responsibility for ensuring the long-term sustainability of the benefits plans and acts independently of OECTA, the government, and the Trustees Association, similar to the operation of the Ontario Teachers' Pension Plan. Neither the OECTA provincial executive nor the Council of Presidents have any input into the decisions of the Trust.

### **How is the benefits plan funded?**

Funding for the OECTA ELHT Benefits Plan is negotiated with the government and is based on the number of teacher positions within a school board. It is important to note that unlike previous school board plans, where most full-time teachers had to pay a portion of the monthly cost of the benefits plan (up to 20%), full-time teachers receiving benefits through the OECTA ELHT pay nothing for their coverage.

### **Why was it necessary for the OECTA ELHT to make changes to the benefits plan at this time?**

The benefits plan is facing two key challenges. First, funding is provided based on the number of teaching positions in a school board. However, when a teacher takes a paid leave or a statutory leave, the plan must provide benefits for two teachers (the teacher on leave and the teacher replacing the absent teacher), although receiving funding for only one. Data shows that in a single benefit year, the OECTA ELHT is providing benefits for thousands of teachers for whom no funding is provided. The second challenge facing the benefits plan is the usage rates in most of our large urban centres. Members are spending significantly more on benefits than the per-member funding received by the Trust.

Consequently, the plan's actuaries indicated that changes had to occur immediately to correct the financial drain resulting from expenses exceeding revenues. Once the information was made available, the Board of Trustees was required by law to make whatever changes were needed to protect the long-term sustainability of the plan. With only two choices available, increase revenues by charging all teachers a monthly premium for their benefits, or make changes in the coverage levels, the trustees chose the latter.

### **Will my cost for my benefits decrease as a result?**

As stated earlier, full-time teachers pay nothing for their benefits coverage. This was a significant change for the majority of members when the ELHT was created.

### **Who is impacted by these changes?**

All catholic teachers, including members of the provincial executive, local union leaders, and the ELHT teacher trustees.

### **What can OECTA do to protect the level of benefits teachers receive?**

Although the OECTA ELHT is an independent Trust charged with ensuring the long-term sustainability of the benefits plan, OECTA's role is to secure the funding necessary to protect the plan as part of the bargaining process. This will be a key priority for OECTA in the upcoming round of bargaining with the government and the Trustees Association.