



# CUPE EDUCATION WORKERS' BENEFITS TRUST



## 2020: Year in Review

### Welcome to your CUPE EWBT annual report!

This 'Year in Review' is designed to provide you with an update on the Trust's activities over the last year, as well as 2021 to date. It includes a summary of the Trust's financial status as at December 31, 2020 – and highlights some notable moments and achievements, too.

It doesn't come as a surprise to hear that the COVID-19 pandemic posed difficulties for Canadians over the past several months – but as vaccination rates increase, optimism is abounding across the country. Throughout it all, safeguarding the Trust's financial health remains a top priority – one which helps ensure we can continue supporting members, and their dependents, no matter the economic conditions.

We hope this report finds you and your families well – and wish you good health throughout the year ahead.



### A year of hard work and prudent management

#### The Board of Trustees

The CUPE EWBT is managed by a Board of Trustees. It's made up of nine members – five appointed by CUPE and four appointed by the Employer and the Crown.

The Trustees are responsible for effectively managing the CUPE EWBT, which includes the oversight of plan financials and administration, as well as appointing professional advisors. Regardless of personal affiliations, we have a fiduciary obligation to manage the Trust in the best interest of our plan members.

#### Sitting on the Board of Trustees are:

- Dan Crow, Chair
- William Campbell
- Gary Goddard
- Tammy Graham
- Karen McRae (appointed in June 2020)
- Wanda Muirhead-Toporek
- Terri Preston
- Debra Tatters
- David Wright

You can read more about each Trustee member in their biography on the [CUPE EWBT website](#).

# COVID-19 calls to action

To lessen the pandemic's financial impact on members, the Board of Trustees approved a six-month premium holiday for all members with active coverage – meaning no benefits premiums were collected from April to September 2020!

Due to many pharmacists limiting maintenance medication refills to 30 days from 90 days in response to the pandemic and possible shortages, the Trust suspended the plan's limit of covering six dispensing fees per year from April to August 2020. This helped to ensure members weren't burdened by excess fees when filling necessary prescriptions.

And overage dependents who reached age 21 and weren't in school, or reached the maximum age of 26, and did so after March 13, 2020, were granted a coverage extension until August 31, 2020.



## Benefit improvements

Based on feedback from the 2019 member survey, in addition to the Trustees' sound financial management, the CUPE EWBT was able to make several changes to your benefits plan as of March 1, 2020.

### Some of these enhancements included:



The minimum hour requirement for 4% member premium share was changed to 15 scheduled hours per week from 17.5.



Osteopath/Chiropractor coverage increased from \$500 to \$750 per benefit year.



Major dental procedures and denture coverage increased to 70%.



Psychologist/Registered Marriage or Family Therapist/Registered Social Worker/Registered Psychotherapist coverage increased to \$1,500 per benefit year.



Physiotherapist/Occupational Therapist/Athletic Therapist coverage increased to \$1,750 per benefit year.



Eye exam coverage increased to one routine exam per two benefit years, with no maximum.

# Focus on finances<sup>1</sup>

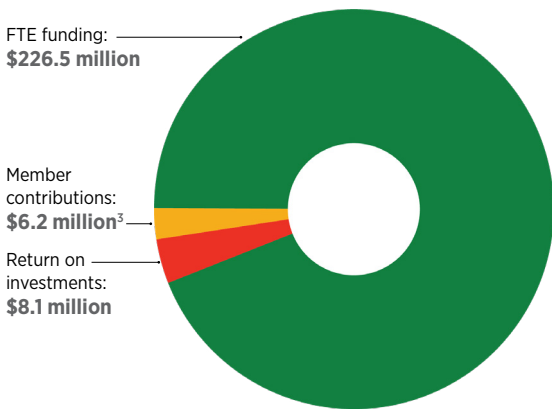
Protecting the Trust’s financial health isn’t our only priority – but it’s essential for us to continue supporting you and your loved ones.

As of December 2020, the CUPE EWBT had 52,952 members eligible for coverage spread across 64 school boards in Ontario. Of this group, 47,536 elected to receive benefits coverage.

Funding comes from three separate sources – the majority is provided to the Trust through the school boards and is based on the number of full-time equivalent (FTE) staffing positions, after negotiations between OSBCU/CUPE, the Crown, and the CTA.

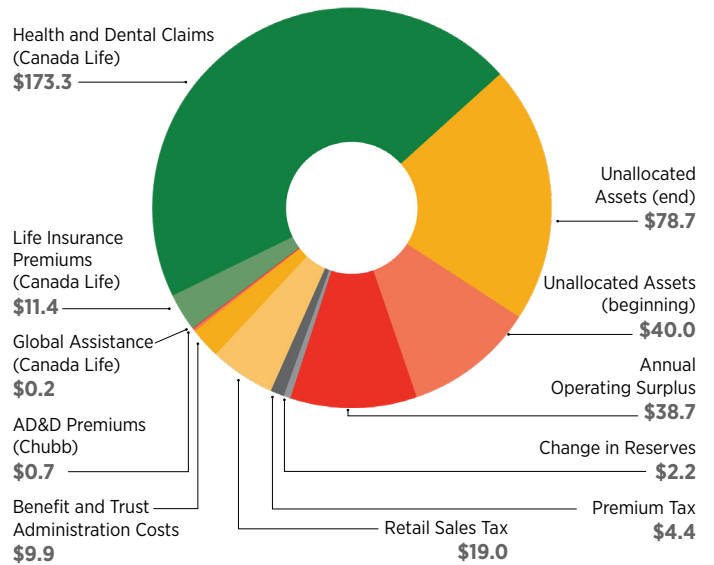
The other two sources include member contributions and return on investments, which are crucial to ensuring the Trust’s sustainability.

**Between January and December 2020, the CUPE EWBT received \$240.8 million<sup>2</sup> in funding as follows:**



Most of this funding goes directly toward paying your claims, in addition to the premiums charged by our insurance providers.

**The chart below illustrates our expenses and how benefit dollars were spent in 2020...**



In 2020, funding exceeded the Trust’s operating costs by approximately \$38.7 million, resulting in unallocated assets. These are used for various purposes, such as fully funding appropriate reserves and allowing for the plan improvements implemented in March 2020. Overall, our plan ended last year in a strong financial position, with more than \$78.7 million in net assets available for paying benefits as at December 31. Based on the annual audit and actuarial valuation, the Trust is in a solid financial position and is expected to remain so for the next few years.

That being said, benefit costs are increasing every year. Our projections assume an increase of 5% to 7% per year, which is a much faster pace than the funding currently negotiated. For this reason, the Trust remains dependent on the outcome of future negotiations. Rest assured, the Trust is solidly positioned for the future; and through excellent plan management and governance, we’re diligently working to maintain its financial strength for years to come.

<sup>1</sup>All these numbers are on an actuarial valuation basis.

<sup>2</sup>Net of taxes.

<sup>3</sup>In 2020, there was a six-month premium holiday – this number doesn’t include anticipated premiums during that period.

# Notable highlights – and looking ahead...



In June 2020, important changes were made for members not enrolled in a long-term disability plan who became disabled due to an illness or injury incurred while participating in the CUPE EWBT plan. They can now:

- 1) Access benefits at their usual contribution rate for up to 24 months; and
- 2) Access their benefits on a 100% member-paid basis thereafter.

The only caveat is that members must be approved for a life waiver premium.



Communicating important, relevant information to all CUPE EWBT members is a responsibility we take very seriously. Because of this, a communication policy and administrative process were implemented in 2020; and the Trust's website was updated to comply with the *Accessibility for Ontarians with Disabilities Act*.



Further, throughout the pandemic, the Board maintained quarterly communications, in addition to COVID-19-related updates, to keep all members apprised of the current situation.



And in February and March 2021, coverage was extended – at the active contribution rate – to:

- 1) All plan members laid off due to the pandemic during the 2021/2022 school year; and
- 2) All members laid off as of March 13, 2020 (who were provided with continued benefit coverage through August 31, 2020) and moved to recall or indefinite layoff status as of September 1, 2020



**We have continued to work on a host of other important matters unrelated to the pandemic, too:**

- **A virtual members and local leaders meeting will be hosted via Zoom in the afternoon of September 12, 2021 – an invitation will be sent to the email address you have on file with OTIP;**
- In February 2021, the Trustees approved the recommendation to conduct a governance best practices review; these results were reviewed at the Board of Trustees meeting this past June – suggestions discussed are now in consideration; and
- A global equity search to source a best-in-class investment manager happened in April and May 2021, and a recommendation was brought to the Board in June.

**We continued improving upon our already rigorous administrative and financial governance practices. These include:**

- Monitoring group benefits trends within the marketplace, identifying opportunities to further support plan sustainability while reducing risks throughout the process;
- Regularly meeting to discuss and review plan operations;
- Developing and maintaining policies designed to safeguard our members, such as formal approaches related to benefits appeals, responding to member concerns and plan investments that integrate environmental, social and governance (ESG) factors into their strategy; and
- Remaining up to date on industry standards.

## Want more information?

- Looking for more details on your benefits or how our plan works? Check out the CUPE EWBT website at [www.cupe-ewbt.ca](http://www.cupe-ewbt.ca). There, you'll find our ongoing member updates, FAQs, plan booklet, plan guide and other useful resources.
- For questions on enrollment and eligibility, call OTIP Benefits Services at **1-866-783-6847**.
- For questions on life, health and dental claims, call Canada Life's dedicated CUPE EWBT line at **1-866-800-8058**.
- And for any general inquiries and Trust-related issues, please email [info@cupe-ewbt.ca](mailto:info@cupe-ewbt.ca).

### A final word

This bulletin has been prepared exclusively for eligible CUPE education workers in the province of Ontario covered by the CUPE Education Workers' Benefits Trust. It is not intended to be comprehensive or provide advice. If there are any differences between the information provided in this bulletin and any legal documents that govern the delivery of benefits, the legal documents will apply. The CUPE EWBT Trustees have sole discretion to modify any or all plan terms, including benefits levels, eligibility conditions, premium share, limits and co-pay amounts.