

## **TEAM Pay and Benefits Committee Report**

**Author:** Darlene Buan (Health Plans) and Bob Linsdell (Pension)

**Date:** May 3, 2010

### **Health and Insurance Plans**

- **JBC Meeting:** The Joint Benefits Committee meeting was held on May 3, 2010; Darlene Buan and Bob Linsdell attended.
- **Blue Cross Reopener**
  - 311 employees were approved for the Blue Cross reopener.
  - Final signoff from 1,045 employees who have not yet replied to the Blue Cross reopener is required; Jim Cooper to send an email to these employees to confirm if they require Blue Cross benefits.
  - Timeframe as to deadline for entry to the Blue Cross plan for the employer and employee is not really known.
  - Other issues raised by the reopener, such as going from the family plan to single, are on Jim Coopers "to do list".
  - Detailed report available on request
- **Blue Cross 2010 Renewal**
  - The JBC could look at how to improve the existing plan and move towards additional cover, including a move away from a plan directed mostly toward prescriptions.
  - Strata consultant, Glen Middleton, to revisit eye care cost.
  - Psychologist claims have tripled; going from 86 in 2008, to 268 in 2009. Glen Middleton advised that we may need to remind members of the EAP and what it covers as this may decrease costs in this area.
  - Jim Cooper will review number of counselling sessions covered by the EPA.
  - A wellness review could be conducted:
    - Correlates Drug claims, Health claims, Disability claims, EAP usage.
    - Drug claims review last done 2006.
    - Additional data now available due to Drug Card implementation.
    - Results are useful in targeting specific areas in wellness program.
    - Cost to do analysis ranges from \$3,000 for just drug usage analysis to \$9,000 for full analysis linked to EPA usage stats.

- Company seems reluctant to pay for health plan analysis.
- Jim Cooper requested that unions provide preferences for plan changes and renewal rates. Union JBC reps will meet to discuss options.

Renewal options:

- Addition of Group Travel Health Coverage
  - 100% coverage, unlimited overall maximum.
  - Eliminate need to purchase individual policies for travel.
  - Mandatory for all Plan 120 participants.
  - Cost of \$1.70 Single, \$3.40 Family per month.
- Increase Hospital Coverage to 100%
  - Currently 80% under both Plan 6322 and Plan 120.
  - No rate implication under either plan.
- Detailed renewal report available on request.

- **Retiree Blue Cross Experience**

- First quarter results provided. Second quarter available end of June.
- Retiree benefits plan doing well; no increase in premiums required.
- Booklet with retiree benefits and costs is available on the Strata website
- Glen Middleton asked to investigate how MTS employees can review the plans available to retirees.
- Detailed report available on request.

- **Dental Plan**

- Brenda McInnes had informed Jim Cooper that the plan had a significant surplus, and that we should all take a contribution holiday to burn up the surplus.
- The unions voiced concerns over deficiencies in the plan coverage, suggesting that the surplus should be used for plan improvements.
- Jim Cooper did not know the amount of the surplus, as Brenda had not told him and more calculations were needed.
- The main beneficiary from a contribution holiday will be the Company.
- Contribution levels are 80% Company, and 20% employees.

## **MTS DB Pension Plan** (Bob Linsdell)

- **Pension Formula**

- The union and TRAM Pension Committee representatives met on April 29<sup>th</sup> to discuss a common position on the formula issue. A common position was achieved.
- The Company will be advised that we have reached a consensus and asked to arrange a meeting to exchange proposals.

- **Pension Lawsuit**

- Appeal Timelines:
  - Apr 8, 2010 – MTS Allstream filed a Notice of Appeal.
  - Apr 22, 2010 – TEAM & other plaintiffs filed a Cross Appeal.
  - Sep 13, 2010 – MTS to file its Factum.
  - Oct 29, 2010 – TEAM and the other plaintiffs to file their Factum.
  - Dec 6, 2010 – First day of the three day appeal hearing.
- MTS has stated its concern with the plaintiffs requesting a Stay on the \$100 million, namely, the cost of obtaining the letter of credit would be \$5 million, and regardless of the outcome of the appeal, the cost would be “thrown away”.

MTS provided a number of assurances regarding the strength of the business, including the following covenants:

1. MTS, on a consolidated basis, will maintain a debt to capitalization ratio of under 70%; and
2. MTS, on a consolidated basis, will maintain an interest coverage ratio greater than 1.75%.