

TEAM Pay and Benefits Committee Report

Bob Linsdell and Darlene Buan
October 10, 2011

Health and Insurance Plans

- **JBC Meeting:** The Joint Benefits Committee meeting was held on September 2, 2011. Darlene Buan and Bob Linsdell attended. Also in attendance representatives of IBEW, CEP, MTS, and the Benefits Consultant from STRATA.

- **Blue Cross Health Plan**

Missing \$400K Surplus (see previous report or TEAM Times for background)

Union representatives were advised that the Company was arranging a meeting with Blue Cross leadership to discuss the surplus. It was suggested that a representative for the unions also be in attendance.

Blue Cross had provided some documentation to STRATA, but nothing definitive that supported their position that the surplus belonged to them. The consultant confirmed that the rep for Blue Cross had told him that the surplus no longer existed, and had been pooled and given to medical research. The MTS legal department is searching through their files for the original financial agreement between the Company and Blue Cross.

A review of the three types of plan i.e. Non-refund, Refund, and Self-insured (several varieties), strongly suggest that despite what the original agreement may have been, for at least the past decade the health plan had been operated as a Refund plan. The reporting, including charging and payment of interest, from Blue Cross supports our position that the surplus belongs to the plan members.

It was suggested that we look at moving to a self-insured plan. TEAM needs to see this current issue resolved before we sign any future agreement with Blue Cross. We don't want to get locked in, with this matter unresolved.

Dispensing Fee Cap

Bob Linsdell asked for an update on the possibility of introducing a cap on total annual dispensing fees, as some plan members had seen a significant increase in their overall healthcare costs as a result of the dispensing fees no longer being covered by the plan.

We were informed that Blue Cross had said they "cannot accommodate capping dispensing fees".

Bob asked that the consultant get clarification of what Blue Cross meant by "cannot accommodate".

- **Dental Plan**

The plan is currently in surplus; MTS wants to take a contribution holiday, and the unions would like to see the annual limits on dental work increased to keep pace with inflation. The question of whether we could do both was raised at the last meeting, and was dependent on how much the plan was in surplus and how many plan members were exceeding the cap.

The surplus is around \$1.1M, and 366 exceeded the annual cap of \$1,250 in 2010. If the cap is increased to \$1,500 in 2012, and an estimated 434 plan members reach or exceed the new cap, then the cost to the plan would be \$108,500 per year.

The unions are waiting to hear from MTS regarding the proposal.

Next meeting will be in October.

MTS DB Pension Plan

- **Pension Committee Meeting**

- The Committee meeting was held June 21, 2011.
- The next Committee meeting will be in November.

- **Pension Surplus Lawsuit (1998)**

- Appeal Status: The appeal hearing was held December 13th – 15th, 2010. No decision has been rendered at this time. Decisions on cases of this complexity have been known to take up to a year.

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- **Pension Formula Lawsuit (2011)**

- The issue is whether the formula that is used in calculating pension payments is in compliance with the new plan text and pension law principles in general.
- In May 2011, a Statement of Claim was filed in the Court of Queens Bench against MTS Allstream Inc. and The Civil Service Superannuation Board.
- The Company and the Civil Service Superannuation Board have until October 15th, 2011 to file their statement of defence.

MTS DC Pension Plan

- **Pension Committee Meeting**

- The Committee meeting was held June 21, 2011.
- The next Committee meeting will be in November.