

Joint Committee on Benefits Administration

**Minutes of the Meeting of January 10, 2000-01-10
9:00 am - 3:00 pm**

**College Institute Educators' Association
Suite 301, 555 West 8th Avenue
Vancouver, BC**

In attendance: David Piasta, Doug Fletcher, Randy Dewar,
Jim Blake, Ellen Woods, Carolyn Parry,
Denis Kielly, Stuart Monteith

Absent: Debbie Svedic

Recorder: Gae Sellstedt

1. Call to Order

The meeting was called to order at 9:15 am

2. Approval of Agenda

One item was added to the Agenda:

Under New Business add: Support Staff Negotiations

The Agenda was approved as circulated

3. Approval of the Minutes of the Meeting of November 30, 1999

There was one change: page 2, bullet #5, 1st sentence add:
"if for faculty segment only". Therefore, the bullet will read:

"S. Monteith reviewed funding options and commented that he doesn't feel there is the critical mass to self-fund, particularly for LTD if for the faculty segment only. A self-insured model would dictate risk and the requirements to hire investment councillors"

There was agreement, by consensus, to approve the Minutes as amended.

4. Business Arising out of the Previous Minutes

1. Results of S. Monteith's discussions with Maritime Life

S. Monteith advised he approached Maritime Life to move toward a refund model with respect to the LTD premium. Maritime Life advised that they had already moved off their reserving factors and, therefore, were not able to accommodate this request. They advised that when their re-insurance company allowed them to move off the reserving factor, it was on the understanding that there would be no alterations to the underwriting arrangements.

2. Self-Insured Model on LTD

S. Monteith distributed two hand-outs, one entitled "Funding Employee Benefit Programs" and the other "Funding Options - Long Term Disability". The Committee members opted to review the first hand-out on their own time and began a discussion with S. Monteith around self-insured LTD.

S. Monteith referred the Committee members to the one page "Funding Options" and talked about the opportunities for investment and profit as well as the risk factors. S. Monteith advised the Committee members they may want to entertain a "stop loss measure" for the first two or three years of self insuring. A stop loss measure can be described as accepting a portion of the risk and, for this protection, a small premium is charged by the insurance company. As confidence is developed in administering the program and experience matures, there will be more comfort with predictability at which time, the risk % can be moved up and the premium will become less, eventually phasing out the stop loss measure.

S. Monteith stressed the importance of the Committee "doing their homework" and suggested the following:

- a) Inviting a lawyer to do a presentation on fiduciary responsibilities;
- b) Inviting someone from BC Transit or other company that is self-insuring to have a discussion on administering a benefit;
- c) Two or three members of the Committee attend a trustee course presented by International Federation of Employee Benefits (IFEB).

The Committee continued discussing the reasons behind moving to a self-insured model and came to the following conclusions:

- To control costs;
- To work towards the first step in doing what the Korbin Commission talked about in using the power of a large group to ensure a large amount of profit is not going outside of the system;
- To put some remedial programs in place;
- To get a "buy-in" from employees re joint administration;

A self-insured model will result in multi-employer trust for the purposes of administering a benefit. The administration of any money will have to flow through a body that has no bias or ownership and merely holds funds in trust for beneficiaries. The insured (employee) would not see any change as this "trust" is a behind-the-scenes mechanism to look after the administration.

The Committee engaged in a conversation with respect to the next steps. It was agreed that work had to begin and that since it will be important to establish a working relationship with members of the Consortium, they should be asked to participate. It was also agreed that the CEOs had to be approached and that this should be done before talking to the Consortium group in a formal manner. The H/R people will want to have some indication from their CEO prior to going in as a voting member to the Consortium to make their recommendations. The Unions advised they would participate in a joint presentation on January 31. S. Monteith will put together a slide presentation that will be reviewed at the January 28th meeting.

The Committee also agreed that the collection of data for the non-consortium members should begin and should concentrate only on LTD in order to expedite the process. The six institutions that are non-consortium members are:

1. Langara College
2. Vancouver Community College
3. Capilano College
4. Open Learning Agency
5. Justice Institute of BC
6. Institute of Indigenous Government

These institutions should be approached jointly and a letter to be signed by the two Chairs will be drafted by S. Monteith.

It was noted that the Employee Benefits Advisory Committee should also be considered and that there has to be the support of that Committee. The tentative date of January 18th at 9:00 am has been set up for a teleconference to discuss this issue.

S. Monteith will also craft a background paper to accompany the letter. D. Piasta will review and then circulate to the Committee for the comments.

The Employers advised there is a need to contact BCIT formally (within the Consortium) with regard to their participation in the LTD self-insuring model. E. Woods will e-mail the Consortium representatives.

The Committee members questioned S. Monteith on the cost for Mercer to do this work and were advised that, initially, his thoughts were that there would be a 6/22 split applicable to JCBA (collection of data for those six institutions not part of the consortium).

3. Joint Presentation to CEOs

Marilyn Duggan contacted David Piasta and Debbie Svedic and spoke about a rehab program to discuss how to work on system-wide basis to improve return to work from LTD.

The reasoning behind the presentation is to help them gain an understanding of the increased premiums and an opportunity to ask questions. There is also the need to talk about the work of the JCBA, where the Committee is headed and to work on getting their involvement. S. Monteith would be the presenter and Jim Blake, Marilyn Duggan, David Piasta and/or Doug Fletcher would also attend. D. Piasta agreed and said that showing them the Committee is working in a collegial fashion will benefit all.

4. Strategic Planning

The Committee reviewed the previous Mercer hand-out entitled "Steps Towards Implementation".

S. Monteith advised the "Legal/taxation issues", "Administrative Requirements" and "Existing models for best practices" could best be served by the three items discussed above; legal session, session with BC Transit and the trustee course.

The Committee asked S. Monteith for his view on establishing working groups after the "plan design". He suggested the following:

1. one group to work on the financial, underwriting and auditing;
2. an investment group;
3. a group internal to the system to ensure communication is done well;
4. an external group as an overseeing body to pull together and work with the groups above.

S. Monteith advised that, by the time the JCBA got to this point, they would know the margins. He advised that it is a clinical process and that the process should be dealt with in a concise manner and should not be rushed through.

A discussion took place regarding implementing a new plan design and it was generally agreed that formal negotiations would have to be entered into with each individual employer. The plan would have to be written and presented to the Boards and bargaining units who would all have to sign off on it.

5. Medical Travel Referral Benefit

The letters to PSEA and CIEA were distributed. No discussion took place.

5. New Business

1. Report from Union Caucus

There was nothing to report.

2. Disability Management Process

A short discussion took place regarding the two documents distributed. The Unions advised they favoured the Camosun document and felt the BCIT document was more of an absenteeism control/disciplinary document rather than disability management. They stressed the importance of return to work programs and taking a different approach regarding disability management.

The Unions asked if the premiums were impacted if an institution had a disability program in place and were advised "no".

Maritime Life is in the process of hiring a Disability Manager who would be a dedicated person to the college sector. Kara Larkin and Ken Tourand volunteered to be part of the selection/hiring process. S. Monteith will advise status of this.

3. Support Staff Negotiations

There is draft language in support staff negotiations that supports that group joining the JCBA. The Committee held a short discussion with respect to increased membership and its' implications.

6. Next Meeting

The next meeting is scheduled for January 28, 2000 at the CIEA office, 9:00 am.

Marilyn Duggan to be invited to next meeting.

Next meeting agenda items:

- Final touches to joint presentation
- Plan design
- Strategic planning re-design re time lines
- Specifics re ranges
- AD&D specifications

There being no further business, the meeting adjourned at 1:15 pm.