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To: Mayor and Members of Council
From: Lisa Wheller, Human Resources Manager
Date: April 28, 2021
Re: Retiree Health Benefit Information, Report Number LGS-015-21

The following information has been provided by Sun Life regarding the cost for all retiree groups with the Municipality of Clarington.


Starting in 2020, under the Administrative Services Only (ASO) funding arrangement, premiums reflect the monthly deposits required to fund the claims. Annually Sun Life performs a reconciliation to determine if a refund or additional payment is required based on actual claims for that period.

Year	Lives	Dental		Health		Total		Avg Prem per Retiree	Avg Claims per Retiree
		Premiums	Claims	Premiums	Claims	Prem	Claims		
2020	55	\$ 85,873.60	\$ 69,918.49	\$ 208,729.46	\$ 180,703.49	\$ 294,603.06	\$ 250,621.98	\$ 5,356.42	\$ 4,556.76
2019	50	\$ 77,504.15	\$ 83,194.08	\$ 196,793.77	\$ 242,415.36	\$ 274,297.92	\$ 325,609.44	\$ 5,485.96	\$ 6,512.19
2018	40	\$ 59,934.85	\$ 66,160.91	\$ 142,077.11	\$ 212,354.22	\$ 202,011.96	\$ 278,515.13	\$ 5,050.30	\$ 6,962.88

There was a slight decrease of 6.5 per cent in average claims per retiree in 2019 from 2018. COVID-19 had a significant impact on claims in 2020 resulting in a 30% decrease in the average claims per retiree. In general, all benefit carriers have experienced similar impacts on benefit plans since the onset of the pandemic.

Sun Life has provided the following information specific to Out of Country Travel Claims for retirees; 2018/2019 - \$1,275.99, 2019/2020 – zero.

Negotiated or arbitrated benefit provision changes were applied to CUPE and Fire Collective Agreements as ratified by the parties in 2018 and 2019 respectively. The provisions apply to both active employees and retirees. CUPE's most recent amendments were for the 2018-2020 Agreement and Fire for 2018-2022. All benefits for CUPE and Non-affiliated remain unchanged for 2021.



With the introduction of Administrative Services Only (ASO) in 2020 the Municipality will receive a refund of \$549,700 as a result of the overall reduction in plan claims versus premiums paid/deposits made.

cc: Rob Maciver, Municipal Solicitor
Trevor Pinn, Director of Financial Services, Treasurer
Kerri McMullen, Compensation and Benefits Supervisor