



Date: June 20, 2023
To: Council
cc:
From: Kim Ramsay
Re: Information Request: Opening eligibility for Group Benefits to Council Members

NSFM Group Benefits Plan

The Municipality of the District of East Hants provides Group Benefits for staff through the NSFM benefits plan (the Plan). The Plan provides comprehensive benefit coverage to over 50 participating municipalities, and is a long-standing successful shared service. The volume purchasing shared service provides flexible coverage provisions, stable premium rates, opportunities for enhanced benefits such as virtual healthcare, and more opportunities for cost-savings.

Council Members in East Hants are currently not eligible to join the Plan.

Jurisdictional Scan

Of the 50 participating municipalities in the NSFM Group Benefits Plan:

- There are 3 municipalities that provide their Council Members with 25k Life Insurance coverage, 25k AD&D Insurance coverage, and 10k/5k Dependent Life Insurance coverage.
- There are 14 municipalities that provide their Council Members with Health and Dental benefits.
- Premium rates, cost-sharing of rates, and Plan Design mirror the staff plan for each municipality.

Considerations

Council Members would be eligible for coverage while in the elected position of Councilor for the municipality and must meet all other eligibility requirements and terms of the plan. To be eligible for group benefits, you must be a resident of Canada, covered under your provincial government plan, and be actively at work. Proof of good health is not required if application is made within 31 days of first becoming eligible. If coverage is not applied for within the 31-day period, evidence of good health may be requested and may affect benefits eligibility.

Any benefits coverage in-force for Council Members would be mandatory for all to enroll. Council Members could opt-out of Health and Dental coverage if proof is provided of having Health and Dental coverage through another provider.

Group Benefits premiums for staff are currently cost-shared 50% employer, 50% employee. Municipalities that provide coverage to Council Members mirror the staff plan for cost-sharing of premiums. Premiums are paid through payroll deduction.

If the decision is made to move forward, Blue Cross has requested two months notice to create a new class in the Plan for Council Members before the coverage takes effect.

Member demographics and usage of the Plan is taken into consideration when new premium rates are set each year, and an increase in usage will likely impact premium rates go-forward.

Premium Rates

Coverage	Total Monthly Premium	Employer Cost Share (50%)	Employee Cost Share (50%)
Life Insurance 25k	\$6.43	\$3.21	\$3.21
Dependent Life Insurance 10k/5k	\$2.98	\$1.49	\$1.49
AD&D Insurance 25k	\$0.65	\$0.32	\$0.32
Health Single	\$153.22	\$76.61	\$76.61
Health Family	\$364.74	\$182.37	\$182.37
Dental Single	\$27.41	\$13.70	\$13.70
Dental Family	\$70.70	\$35.35	\$35.35

If all Council Members were eligible for all noted benefits and selected Family Coverage, the monthly cost to the Municipality would be maximum **\$2,450.14**, and the annual cost to the Municipality would be maximum **\$29,401.68**.

The funding for 2023/2024 may come from reserves as follows:

- General Government - Other: The balance in this reserve at March 31st, 2023 is \$112k and \$20k is allocated each year; OR
- GTR contingencies i.e. year-end surplus 2022/2023 which was \$444k with a balance of \$4.7m.

Go-forward, this would flow through the council cost center as benefits and would be funded by the general tax rate.

Options

1. Open eligibility for Council Members to Life Insurance, AD&D Insurance, and Dependent Life Insurance only. Annual employer cost-share would be \$662.64
2. Open eligibility for Council Members to Health and Dental coverage only. Annual employer cost-share if all Council Members selected Family would be \$28,739.04.
3. Open eligibility for Council Members to all benefits: Life Insurance, AD&D Insurance, Dependent Life Insurance, Health and Dental coverage. Annual employer cost-share if all Council Members selected Family would be \$29,401.68.
4. Council Members remain ineligible for the Plan.