

Saint Mary's University Faculty Union
Employee Health and Life Trust

To: Dr. Cathy Conrad, SMUFU President
From: Dr. Robert Konopasky, Chair, Saint Mary's University Faculty Union
Employee Health and Life Trust (TRUST)
Date: October 14, 2025
Subject: TRUST's Annual Report to the Saint Mary's University Faculty Union (UNION)

Trustees:

Chair: Dr. Robert Konopasky
Trustees: Dr. Robert Konopasky, Dr. Nicole Conrad, and Dr. James O'Brien
Alternate Trustee: Ms. Cindy Harrigan

Compensation:

While our Collective Agreements does not define "total compensation," in fact, the total of one's compensation is the sum of:

1. Salary
2. **Contributions by Saint Mary's University's (EMPLOYER) to the Saint Mary's University Faculty Union Employee Health and Life Benefits Plan (PLAN)**
3. Pension plan contributions by the Employer

Part of administering the PLAN compels the Trustees to be cognizant of, and sensitive to the EMPLOYER's contribution to the PLAN constituting part of our total compensation, to the tax implications of these contributions and how to best use these contributions to pay for health and dental benefits premiums, Life Insurance premiums, and LTD premiums.

Control of Payments for Benefits and Quality of Benefits:

Before June 1, 2008, faculty, librarians, staff and administrators were members of the Saint Mary's University (EMPLOYER) benefits plan. The costs of the EMPLOYER's plan, including the cost of health and dental benefits, Life Insurance premiums, and LTD premiums, were split equally between the EMPLOYER and the members of the plan. It's important to note that the EMPLOYER's payments for the costs of LTD and Life Insurance premiums were a taxable benefit (the EMPLOYER's contributions were reported as income on our tax filings).

There was a Saint Mary's University Benefits Committee, but its mandate and role were no more than advising the President of the EMPLOYER regarding benefits and costs. Since the EMPLOYER paid for half of the costs of its plan, the EMPLOYER's preference was to keep costs low.

Faculty and librarians wanted better benefits but, given the balance of faculty and non-faculty members on the Committee, and the preference of the EMPLOYER to keep costs low, faculty representatives could not persuade Committee members to improve benefits; the caps for some benefits being so low, e.g., chiropractic visits were capped at \$7.00, that, effectively, the benefits were more window dressing than substantive benefits.

The UNION determined that to improve the standard of living for its members, a TRUST be created. The goals of the TRUST were:

1. To serve the members of the PLAN, and not to be sensitive to a second party's preference for low costs.
2. To control what benefits are offered, and the level of coverage.

To achieve these goals, the UNION:

1. Negotiated the withdrawal of the faculty and librarians from the EMPLOYER's benefits plan.
2. Created an independent legal entity, that is, the TRUST, which to administer our PLAN.
3. Negotiated the EMPLOYER's contribution to the TRUST to pay for part of the cost of benefits.

On June 1, 2008, the TRUST assumed responsibility for creating our PLAN and contracted with Great-West Life to provide benefits for the 280+/- members of the Plan. (Great-West Life changed its name to Canada Life and is our current provider.)

Improvements in your Benefits:

Over the 17 years that the TRUST has administered the PLAN, the Trustees have changed and improved *every part of our PLAN, and every benefit offered by it*. Believing that benefits are an important part of our standard of living, the Trustees continue to look for ways to improve benefits in the most cost-efficient way.

Over the last 12 months, the Trustees:

1. Changed our third-party administrator from the Canadian Benefits Consulting Group (CBCG) to the McAteer Group. The services provided by the new third-party administrator are better: We have better data on EMPLOYER compliance, a more effective negotiator for our contract with Canada Life, and a consultant who provided data helpful to the Union's negotiating team, etc.
2. Improved governance of the PLAN and TRUST Fund by reviewing and amending the TRUST agreement with the Union and the EMPLOYER to provide for succession planning.
3. Reviewed and confirmed a prudent investment policy for the TRUST Fund's assets.
4. Approved a formal appeal policy, which is located on the PLAN website, and which describes a clear path for members to bring forward an inquiry or complaint about a benefit being declined or paid differently than the claim for the benefit.

If, after reviewing this policy, you want to initiate a claim, please contact:

- Ms. Jaclyn Lyon, at jlyons@mcateer.ca, or call 1-800-263-3564, or
- Ms. Enas Razack, at erazack@mcateer.ca, or call 1-800-273-3564

5. Negotiated a new contract for benefits with Canada Life.
6. Met several times with Canada Life regarding service to members: The Trustees secured Canada Life's commitment to serving our members on a best-in-class basis.

The PLAN:

1. Was improved to provide dental benefits at the most current provincial fee guide.
2. Was improved to provide specialized equipment including motorized mobility equipment for children with special needs. This benefit, which was effective January 1, 2025, provides a maximum, annual limit of \$5,000 per family, with a \$20,000 lifetime per family, for members with family coverage.

3. Was improved to offer enhanced access to voluntary post-retirement benefits such as life insurance and emergency travel assistance. There is a personal advisory service for these voluntary benefits. Appointments can be arranged by using this QR code:



4. Invoices retiree life insurance premiums in January of each year, which puts all retirees are on the same renewal cycle. Avoids inadvertent loss of Life Insurance coverage, by ensuring clear communication of timelines to all retirees, who elect to continue their life insurance through the PLAN.
5. Shows that the Telus virtual care benefit is rated 4.8 out of 5 by our members, with “5.” being the best rating of service.

(The above summary will be highlighted in the upcoming member newsletter.)

PLAN Solvency:

Absent solvency of the PLAN, there can be no control of our benefit: *We are solvent.*

Negotiations between the Union and the EMPLOYER:

Taxes:

To save income taxes, there is one CRA rules which guides our use of EMPLOYER contributions to pay for benefits, and one rule which encourages payment of health and dental premiums by arranging for direct payment of these benefits and not paying for them by way of withholding premium payments from members.

1. EMPLOYER contributions, which are used, to pay for health and dental benefits are not taxable benefits, but, in contrast, EMPLOYER contributions used to pay for Life Insurance and LTD insurance are taxable.
2. Health and dental insurance premiums paid by direct EMPLOYER contributions are not taxable, but money withheld from members’ salaries to pay for health and dental premiums is taxable. Simply put, it’s better to pay for health costs with pre-tax dollars than post-tax dollars. (I know that one can claim health and dental costs against income, but such claims are not competitive with the savings in income tax if part of one’s income constitutes direct payment from the EMPLOYER to health and dental benefits.)

The Trustees, and our consultant at the McAteer Group, worked closely with the Union’s negotiating team regarding negotiating an increase in EMPLOYER contributions to the Benefits Plan, which is offset by a decrease in salary increases, and which reduces income taxes.

Paying for benefits costs during a lock out or strike:

Starting a year ago, we carefully changed our investments to ensure that we would have enough cash on hand to pay up to \$1,200,000 in benefits premiums were there to be a strike or lockout. The

Trustees chose this quantum based on their judgment that the longest sustainable lock out, or strike, would be 6 months or shorter.

If we are locked out, or if we strike, the costs of your benefits, including health and dental insurance, your Life Insurance premiums, your LTD insurance premiums and your travel insurance premiums will be paid by the TRUST. You can count on this promise: Your benefits will be fully available during a lock out or strike up to 6 months.

If, a lock out or strike lasts for longer than 6 months, the Trust Fund will sell its assets and continue to pay for your premiums.

TRUST Fund Assets:

The Fund is careful to have enough assets to be able to assure insurers that we will never go bankrupt. This promise allows the Trustees to negotiate with insurers from a position of strength; it allows us to negotiate the lowest rates possible.

Work of the Trustees:

Part of one's duties at the University is service. The Trustees are committed to the work of the TRUST, and the protection of your benefits, as service.

I must underscore that working as a Trustee means a high level of commitment in terms of hours of services, and responsibility to secure your access, and your family's access (if you have family coverage) to health and dental services, Life Insurance, LTD insurance and Travel insurance. Briefly put, this service to the institution and this service to you is a heavy lift.)

I am grateful to the Trustees and the Alternate Trustees for their time, their dedication, and their brilliance in working through the 10,000+ details of administering our Plan.

R. Konopasky, Chair,
Saint Mary's University Faculty Union Employee Health and Life Trust