

**Board of Governors
PENSION & BENEFITS COMMITTEE
Friday 9 December 2022
9:30 a.m. to 12:00 noon**

**This meeting will be held via Microsoft Teams
Non-members may arrange to join the open session of the electronic meeting
by contacting Melissa Benjamin, melissa.benjamin@uwaterloo.ca**

OPEN SESSION		ACTION
9:30	1. Approval of the 18 November 2022 Minutes (Open Session)* and Business Arising	Decision
	2. Execution Against the Work Plan* [Weber-Kraljevski]	Information
9:35	3. Update - Working Group to Review In-Vitro Fertilization Coverage	Discussion
	a. Report of the Working Group to Review In-Vitro Fertilization Coverage [Saunders]*	
	b. Summary of Legal Advice [Hollis]*	
10:15	4. Update on Green Shield Canada Implementation* [Hornberger]	Decision
10:45	5. Maximum Pension Limits and Caps* [McGrath]	Information
	6. Other Business	

CONFIDENTIAL SESSION

7.	Approval of the 18 November 2022 Minutes (Confidential Session)+ and Business Arising	Decision
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Next Meeting: Friday 20 January 2022, 9:30 a.m. – 12:00 noon

*attached ** to be distributed + distributed separately

2 December 2022

Tim Weber-Kraljevski
Associate University Secretary

Please convey regrets to Melissa Benjamin at melissa.benjamin@uwaterloo.ca

Future Agenda Items

- a. Pension Contribution for Members on LTD
- b. Level of LTD coverage vs. practical requirements
- c. EFAP Report Data Requirements
- d. Communication Plan re: Handling of Member Questions/Feedback

University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the 18 November 2022 Meeting
[in agenda order]

Present: Peter Barr (chair), Melissa Graham, Michelle Hollis, Lily Hua, Dennis Huber, Ranjini Jha, James Rush, David Saunders, Mike Steinmann, David Taylor, Tim Weber-Kraljevski (secretary)

Regrets: William Povelofskie

Resources/Guests: Anata Alphonso, Linda Byron, Sarah Hadley, Lee Hornberger, Cindy McCarthy, Sue McGrath, Chantal Moore, Allan Shapira, Ljilijana Skobo, Tyler Wendland

Organization of Meeting: Peter Barr took the chair, and Tim Weber-Kraljevski acted as secretary. The secretary advised that a quorum was present. The agenda was accepted as distributed.

OPEN SESSION

1. APPROVAL OF THE 7 OCTOBER 2022 MINUTES (OPEN SESSION) AND BUSINESS ARISING

The following revisions were requested for the minutes: in item 7 the removal of the typo “of the” in the first sentence; and also in item 7, the correction of the two instances of “GRC” with “GSC”. There was a motion to approve the minutes with the requested revisions. Hollis and Saunders. Carried.

2. EXECUTION AGAINST THE WORK PLAN

This item was received for information.

3. UPDATE – UPP

The Committee discussed next steps following the previous meeting’s UPP presentation. Members suggested to continue monitoring the UPP and to schedule informational presentations from Shapira into upcoming agendas over the next cycle.

4. PENSION RISK MANAGEMENT DASHBOARD, Q3 2022

Byron provided an overview of the distributed material, highlighting the lower than expected rate of return and the significant volatility of the markets. Members discussed the potential impact of the Federal Government’s decision to end issuing real return bonds. This item was received for information.

5. INVESTMENTS UPDATE, Q3 2022

Huber provided a broad overview of the distributed material, highlighting that the total fund preformed above the index. This item was received for information.

The chair thanked Huber on behalf of the committee for his years of dedication and service, and congratulated him on his upcoming retirement. Huber spoke to the long-term vision and talent of Committee members. Members provided Huber with their individual congratulations and expressions of gratitude.

6. FUNDING POLICY FOR THE REGISTERED PENSION PLAN

Huber and Shapira presented the Funding Policy & Guideline for the Registered Pension Plan (RPP). Huber noted that it had been reviewed by Finance & Investment Committee (F&I), Pension Investment Committee (PIC) and the President, and that PIC members had recommended adding Guideline to the name. Members discussed: the importance of having this document; the benefits of it being a living document that is reviewed yearly; and the document as a legacy of Huber’s stewardship of the RRP. There was a motion to approve the Funding Policy & Guideline for the RPP as presented. Huber and Jha. Carried.

7. UPDATE ON GREEN SHIELD CANADA IMPLEMENTATION

Hornberger provided an update on the Green Shield Canada (GSC) implementation project, highlighting the communications plan which included the GSC Information Session that members were given a preview of on 14 November 2022. Hornberger presented two items from the material to the Committee for approval. Members discussed the differences in wording for dependent children eligibility between the University's consolidated benefits booklet and the GSC's booklet. There was a motion to adopt GSC's wording for dependent children eligibility. Taylor and Hua. Carried. Members discussed the options presented in the material for the change required in the administration process for the disabled dependent status. There was a motion to approve Option 1: the use of an attestation form. Hua and Graham. Carried with one abstention.

8. EMPLOYEE & FAMILY ASSISTANCE PROGRAM (EFAP) – ANNUAL UTILIZATION REPORT

Hornberger reviewed the data in the presentation distributed with the agenda and highlighted: there has not been significant change of utilization over the last 6 years; and that an RFP process is planned in the Winter/Spring 2023 to confirm the EFAP provider effective 1 September 2023. Members discussed the potential gaps in knowledge employees have of the services provided through the EFAP, and in response, Hornberger encouraged members to take back the EFAP report to their employee stakeholder groups.

9. EXTENDED HEALTH & DENTAL BENEFITS – INDEXATION OF MAXIMA EFFECTIVE JANUARY 1, 2023

Hornberger spoke to the report and highlighted: Aon has advised that increasing the benefit maxima for 1 January 2023 based on 1-year inflation would result in a \$151,900 annual on-going cost; and that there was a typo in the report, inside the table: "Psychologist/Social worker (Actives & Retirees Post 6-6-2020)" should be "Psychologist/Social worker (Actives & Retirees Post 6-6-2000)". In response to a question asked prior to the meeting, Hornberger clarified that the reason that psychologist/social worker is listed separately from other paramedical practitioners is because on 1 May 2021, the annual maximum was increased for these vs the other paramedical practitioners for the active plan design. However, the maximum was not increased for the grandparented retiree plan. There was a motion to approve the cost of living adjustment to the health and dental benefit maxima as presented, effective 1 January 2023. Hua and Huber. Carried.

10. RETIREE LIFE INSURANCE – INDEXATION OF COVERAGE EFFECTIVE JANUARY 1, 2023

Hornberger spoke to the report. There was a motion to approve the cost of living adjustment to the retiree life insurance coverage as presented, effective 1 January 2023. Saunders and Jha. Carried.

11. UPDATE - WORKING GROUP TO REVIEW IN-VITRO FERTILIZATION COVERAGE

Saunders reported that the working group met on 27 October 2022 where it had received further costing information and discussed options. The Working Group is currently in the process of finalizing their report which they are anticipating bringing forward to the 9 December 2022 meeting.

12. REPORT FROM THE PENSION INVESTMENT COMMITTEE

Jha spoke to the report on behalf of PIC Chair, Sheryl Kennedy, highlighting: the volatility of the market over the last year; meeting with the fund's three active global equities investment managers and identifying common holdings among these funds; and the adoption of a two-year work forward plan. This item was received for information.

13. OTHER BUSINESS

There was no other business.

NEXT MEETING

The next regular meeting is scheduled for Friday 8 December 2022, 9:30 a.m. – 12:00 noon.

30 November 2022

Tim Weber-Kraljevski
Associate University Secretary

Execution against Work Plan

Pension & Benefits Committee, Board of Governors, University of Waterloo

The below represents the annual responsibilities of the P&B Committee and has been prepared as an aid to planning only. The committee's activities are much broader, however, and include: legislative changes, plan changes and improvements; selection of managers and service providers; and requests from the UW community regarding pension and benefits plans.

Task	Frequency (Target month)	10 Dec 2021	14 Jan 2022	18 Feb 2022	11 Mar 2022	20 May 2022	24 June 2022	16 Sept 2022	07 Oct 2022	18 Nov 2022	9 Dec 2022
Approval of Actuarial Valuation Assumptions	Annual (Jan)		✓								
Investment Status of PPP	Annual (Feb)			✓							
Cost-of-living Increase for Pensioners	Annual (Feb)			✓							
Pensions for Deferred Members	Annual (Feb)			✓							
Salaries for Pension Purposes for Individuals on Long-term Disability	Annual (Feb)			✓							
Actuarial Valuations (RPP and PPP), with posting to website once approved	Annual (Mar)				✓						
Review of Contribution and Protocol Caps (RPP and PPP)	Annual (Mar)				✓						
Monitor sharing of current service cost between employee and university contributions	Annual (Mar)										
Benefits Plan Premium Renewals	Annual (Mar)				✓						
Indexing of Long-term Disability Plan Benefits and Maxima	Annual (Mar)				✓						
Annual Committee Self-Assessment	Annual (Mar)				✓						
Budget Overview	Annual (May)					✓					
Previous Years' Fees and Expenses	Annual (May)					✓					
Annual Audit of the Pension Plan Fund Financial Statements	Annual (May)					✓					

Task	Frequency	10 Dec 2021	14 Jan 2022	18 Feb 2022	11 Mar 2022	20 May 2022	24 June 2022	16 Sept 2022	07 Oct 2022	18 Nov 2022	9 Dec 2022
Benefits Utilization Report	Annual (June)						✓				
Annual review re: benefits added/removed from insured plans in the market	Annual (June)						D	D	✓		
Review of Committee Terms of Reference	Annual (June)						✓				
Review of Administrative Staffing Support for the Plan (first iteration to occur in 2023)	Annual (Oct)										
Indexing of Plan Maxima – Health, Dental, Retiree Life Insurance	Annual (Nov)									✓	
Employee and Family Assistance Program – report on utilization	Annual (Nov)									✓	
Maximum pension limits and caps adjustments, based on average industrial wage increase (AIW)	Annual (Dec)	✓									✓
Total Fund Overview	Quarterly	✓						✓		✓	
Investment Manager Review	Semi-annually	✓								✓	
Approval of the Statement of Investment Policies and Procedures (SIPP)	Annual	✓									D
Annual Report to the Community	Annual			✓							
Actuarial Filing - Minimum every three years Secretariat to advise Aon and HR upon approval by BOG, to commence filing Most recent filings: 2017, 2018, 2020, 2021, 2022											

Report to Pension & Benefits Committee from the IVF Working Group

Terms of Reference

The IVF Working Group was tasked with a fact-finding exercise regarding benefits coverage supporting plan members with family aspirations, and to examine the prospective implications (financial/regulatory/contractual requirements) to expand provision of coverage for reproductive procedures that extend beyond the current scope (e.g. for those plan members without a uterus or whose uterus cannot or will not be utilized).

Current legislative and market context

1. The federal government has proposed changes to the Medical Expense Tax Credit (METC) in the most recent budget that would allow surrogacy costs to be covered by extended health and benefit plans. To implement this through the extended health care (EHC) plan, there must be changes made to the *Income Tax Act*, as those benefits are today deemed to be a taxable benefit because the surrogate in these cases is the “patient” and not the plan member or eligible dependent.
2. Of the insurance providers surveyed, Sun Life is the only company that offers surrogacy coverage through their “Surrogacy adoption benefits” program; that program is still at the pilot stage, with only a few clients having access. That coverage is offered through a taxable reimbursement program outside EHC benefits since it does not meet Private Health Services Plan (PHSP) requirements and only covers surrogacy-related expenses. In this program the claimant is an eligible plan member.
3. Starbucks Canada offers coverage for adoption, surrogacy, or intrauterine insemination (IUI) with \$10,000 lifetime limit for drugs and \$25,000 lifetime limit for treatments. The fertility coverage is only offered to insured members and their dependents – surrogates are not covered. Starbucks manages this program internally, and not through its EHC benefits provider.
4. Insurers in the marketplace offer lifetime maximum coverage for IVF-related benefits that range from \$2,500 to \$50,000, with variability around the specific elements covered e.g., drugs, procedures. See Appendix A for details.
5. Some current plans covering infertility treatments require provincial funding be exhausted before being eligible for coverage under the EHC, whereas other plans in the market do not. For plans where provincial funding needs to be exhausted, this represents a barrier to access of the employee’s health benefit, as provision of infertility coverage under the provincial plan is limited by the plan’s design.

Ontario Fertility Program

1. Since 2015, the provincial government has providing access to fertility treatment through the Ontario Fertility Program (OFP), where that program is limited to 5,000 procedures per year
2. There is normally an 18-24 month waiting period for access. Wait times are variable and depend on local factors, in part because there is no central waiting list
 - a. Each clinic is allocated some number of funded treatments by the government and manages their own waiting lists.
 - b. The number of funded treatments is not equal across centers, and it is not clear what criteria is used to allocate these treatments by facility.

- c. In managing wait lists at the clinic level, each clinic will prioritize patients using the physician's best clinical judgement.
3. While there is no limit on the number of artificial insemination treatment cycles nor IUI cycles, the OFP covers only one IVF treatment cycle per patient. The OFP will also cover the use of remaining embryos implanted one at a time after the initial IVF cycle.
4. The OFP does not cover fertility drugs (approximately \$1,000 per IUI cycle and \$5,000 per IVF cycle), nor sperm washing (a required step), nor the storage of sperm, eggs, or embryos.
5. An individual acting as a surrogate may access OFP with limitations: one cycle for the individual's own use, plus one other cycle acting as a surrogate.
6. OFP limits access to those under 43 years of age.

Additional considerations – drug cap and surrogacy

- The current cap on IVF-related medication is very low in comparison to the actual costs; at least \$7,000 in out-of-pocket costs for IVF medication is common by the time an individual completes a plan-funded cycle.
- People utilizing a surrogate experience timing constraints in accessing the government-funded cycle. Constraints on the availability of a surrogate and in accessing care at a fertility clinic for the many related activities required to give the best probability of success often will not allow for the patience required to await a government-funded cycle

Administrative considerations:

1. Without any changes to the *Income Tax Act*, the only feasible way to introduce health benefits for surrogacy would be through a taxable benefit
 - a. Green Shield is currently developing a family planning benefit in the anticipation of these legislative changes, but there is no clear timeline of when/if the government will enact such legislation
2. Administration via taxable benefits would necessarily be administered internally, and likely through the Human Resources department. The working group highlights that this form of administration would introduce privacy concerns on the part of the employee. Alternative structures are not evident, as Green Shield does not have the structure to support this, and it is not clear whether any third party could administer such a benefit
3. No other university offers such as plan, though anecdotally other institutions and businesses are known to be inquiring about such plans

Potential options for expansion of benefits offered (and cost implications, where available)

NB: options listed are not mutually exclusive

1. Extension of current fertility coverage to surrogates acting for covered plan members

Sun Life estimates that, in general, about 1 in 12,500 employees will use this annually.

- a. Based on Sun Life's statistical estimates, the increase to the university's annual benefits spend would be about \$18,000 per year.

- b. This estimate is based on current eligibility restrictions (surrogate will need to be a plan member, and exhaustion of provincial coverage before triggering coverage under the employee benefits)
 - c. Consideration for revised design would need to consider whether to offer for one cycle for a member for themselves, and one as a surrogate.

- 2. Removal of the requirement that provincial government coverage be exhausted first
 - a. Canada Life was unable to provide a costing on this, given the lack of credible experience data
 - b. This change would be expected to increase costs since coverage would be provided for those who would otherwise be on a waiting list and who may never obtain treatment through the OFP
 - c. A rough “best guess” for costing would suggest that the impact on benefits spend overall would be relatively low, perhaps resulting in up to a doubling of current IVF spend (incremental increase of \$100,000/year, or 0.5-1.0% of total EHC spend).

- 3. Removal of the two-cycle limit for coverage, while retaining the overall maximum of \$30,000 in the program
 - a. The average cost in Canada for one round of IVF is approximately \$20,000. Removal of the two-cycle limit would not be expected to have an impact on overall benefits spending, as the lifetime maximum is the far more limiting factor between the two
 - b. Removal of this provision would make adjudication with Canada Life / Green Shield a bit easier, with one maximum to consider when adjudicating

- 4. Addition of coverage under the benefits plan to provide coverage for members who are acting as surrogates
 - a. Neither the current benefits provider (Canada Life) or the prospective new provider (Green Shield) were comfortable providing any sort of cost estimate or range given lack of credible data
 - b. Aon is similarly not comfortable in providing a cost estimate
 - c. As this would represent a net increase in coverage, overall costs would be expected to increase, with the caveat that the magnitude of the increase depends on the prevalence of plan members acting as surrogates
 - i. Per Aon, the “best guess” would be that the numbers would be quite low but no good estimate is available

- 5. Create a new taxable benefit to support family formation, and which covers surrogacy and adoption
 - Administration/adjudication of such a plan would necessarily occur internally to the organization, which would present potential privacy concerns for those seeking coverage
 - There are no cost estimates available from any of Aon, Canada Life or Green Shield
 - The working group would highlight that this sets a precedent with a new type of benefit that the university has not previously covered

Appendix A

Insurer	Standard lifetime maximums	Included Services	Eligibility	Surrogacy	Percentage of clients that offer Fertility, IVF and Surrogacy
Desjardins Financial Security	\$3,000 to \$30,000	All infertility treatments are covered. However, administrative fees like Frozen Embryo Storage are excluded.	If the member or spouse are eligible under the contract, the claim will be accepted.	No offering available	Approximately 15% of Desjardins Insurance’s block of business offer fertility coverage (drugs and/or treatments). Approximately 4% of Desjardins Insurance’s block of business offer fertility treatments coverage that includes IVF. 0% offer surrogacy.
Green Shield Canada	\$2,500 to \$50,000	Anti-Mullerian Hormone (AMH), DNA Integrity Assay, Endometrial Microbiome Metagenomic Analysis (EMMA test), Fertility testing or treatment, shipping charges, sperm DNA fragmentation analysis and sperm functional analysis (SFA). Sperm wash generally excluded but can be included.	No set requirements	No offering available. Currently developing Family Planning product – one that will include a Fertility and Surrogacy offering.	Fertility – is limited to drug coverage. It is not common to include physicians’ services (appointments or charges), sperm washes are also not common. The only commonly included medical item related to fertility would be non-hormonal IUD’s (contraceptives). The overall maximums ranged from package to package in the surveyed groups. The consistent approach was to separate the fertility drug maximum from the overall drug maximum, there was no real consensus on how much. It ranged from \$2,500 to \$50,000.
Sun Life Financial	\$2,500 to \$42,500	See attachment “Surrogacy Adoption Benefit”	If the claimant is an eligible plan member, they have access to this coverage.	Coverage is offered through a taxable reimbursement program outside the EHC benefit. It doesn’t meet PHSP requirements, and only covers surrogacy-related expenses	The percentages are low as this benefit isn’t available to SunAdvantage so numbers wouldn’t have much value. The Surrogacy benefit hasn’t yet been made available to the market so only pilot Clients have had access so far, but since January when the pilot started, Sun has implemented 10 major Clients. More are waiting for the launch to get on board. And since Surrogacy coverage is dependent on having Fertility coverage, those numbers are also on the rise.
Manulife Financial	\$15,000	Determined by the client	Determined by the client	No specific benefit offering exists, but clients can add as part of a Taxable Spending Account	We do not track these statistics. Fertility drug coverage is a common benefit, but very few elect IVF treatment and even fewer offer surrogacy coverage

Appendix B – University Comparators (anonymized)

University	Standard lifetime maximum	Specifically Listed Included Services	Specifically Listed Excluded Services	Surrogacy
University #1	Benefit covers prescription drugs only, no procedures	This benefit is offered to Faculty, Staff, and their dependents Some drugs will require a pre-authorization, and if approved will then be covered	Procedures are not covered under the plan	Does not cover Surrogacy
University #2	Benefit covers prescription drugs only, no procedures There is no maximum on IVF medications under the drug plan and coverage for IVF will follow regular drug coverage (ranges between 20-100% depending on plan)	The benefit is offered to all eligible employees, and their dependents Coordination Of Benefits with provincial as first payor, if eligible	Procedures are not covered under the plan	Does not cover Surrogacy
University #3	Benefit covers prescription drugs only, no procedures Lifetime maximum is capped at \$2,400 and	This benefit is offered to active employee groups only, predominantly the Faculty and Staff	Procedures are not covered under the plan Coverage is not offered for any adoption benefit	Does not cover Surrogacy
University #4	NA	Does not cover IVF	Does not cover IVF	Does not cover Surrogacy
University #5	NA	Does not cover IVF	Does not cover IVF	Does not cover Surrogacy
University #6	NA	Does not cover IVF	Does not cover IVF	Does not cover Surrogacy
University #7	NA *For IVF, they are considering a lifetime maximum of \$10,000	Does not currently cover IVF	Does not currently cover IVF	Does not currently cover Surrogacy *For Surrogacy Benefits they have asked their consultants and benefits provider to provide recommendations for an appropriate maximum

Report to the Pension & Benefits Committee
Human Resources
9 December 2022

Earlier this year, members of the Pension & Benefits Committee observed that the current coverage for In Vitro Fertilization (IVF) does not extend to those without a uterus or those whose uterus cannot or will not be used for such a purpose. Concerns were expressed as to the legality of the plan design and the lack of inclusion of the aforementioned groups. Human Resources was tasked with seeking legal advice and has submitted the following to the Committee for information.

INFORMATION

The University of Waterloo has sought legal advice as to whether the provision of In vitro fertilization (IVF) as currently covered by the University's benefit plan is discriminatory under the Ontario *Human Rights Code*. The legal advice provided that the provision of IVF as currently covered is not discriminatory.

Michelle Hollis
Acting Associate Provost, Human Resources,
& Senior Director, Human Resources

Green Shield Canada (GSC) – Implementation Project – Update #4
New Provider for Extended Health and Dental Benefits effective January 1, 2023

GSC Claims Adjudication – 2nd Transition Analysis

To identify differences in administration practices between Canada Life and GSC, an initial transition analysis was conducted by analyzing claims processed by Canada Life for the July 2021 to June 2022 period. Details of this review were included in the September and October 2022 meeting materials to enable decisions for corresponding implementation activities required.

In November 2022, GSC conducted a second transition analysis with “top up” claims data from Canada Life and advised that no new items were identified. There was one outstanding item from the initial transition analysis related to Provincially Covered Medication (Herceptin and Keytruda) and updated data shows no claims being reimbursed for one of the two medications and what appears to be a terminated claim for the other due to the monthly prescription not being filled since August 2022. GSC will reach out to this member to confirm whether or not the prescription is terminated, and if still active, to support their application for coverage through the province.

The updated claims data will be used by GSC to generate individualized letters to be mailed in mid-December 2022 as well as claims system updates in advance of January 1, 2023. Claims data supports the generation of letters for 466 individuals, per the following categories:

Category	Count	Individualized Letter from GSC – Key Message
Oxycodone	1	OxyNEO® is an eligible expense for ongoing pain treatment with a long-acting formulation of oxycodone
Over the Counter (OTC)	71	OTC medications are not eligible for reimbursement
Natural Health Products (NHP)	3	NHP medications are not eligible for reimbursement
Compound Policy	307	One-time exception process applies if expense does not align with GSC’s compound policy*
Finasteride – for those under age 50	9	If the individual does not have BPH, this medication is not eligible for reimbursement
Flonase – for those 18 and older	75	This medication is not eligible for reimbursement since it is an OTC medication for adults

**GSC recommends an expiry date of April 30, 2023 for the one-time exception process relative to expenses classified as compounds*

Two further claims data sets have been requested from Canada Life: for the November-December 2022 period to support any approvals during this period and a final report, after the claims runoff with Canada Life to capture accurate lifetime maximum data. If any additional members are identified as impacted through the transition analysis decisions based on the November-December 2022 data, GSC will issue additional individualized letters and apply claims system updates in early/mid-January 2023. *Note: if a member receives prior authorization drug approval from Canada Life in November or December 2022, the prior authorization will not be reflected in GSC’s claims system until this updated data is obtained and uploaded (i.e. the member might not experience a seamless transition due to the lag and timing for their prescription refills).*

Action Required: *Decision pertaining to expiry date of April 30, 2023 for Compound Policy exceptions*

Other Administration Programs and Policies

Specialty Care Program. At the October 2022 meeting, the Pension & Benefits Committee decided to implement GSC's standard Specialty Care Program. GSC's review of claims data from Canada Life indicates that there are 103 impacted participants. These individuals will receive a letter from GSC in mid-December 2022 which will require them to contact NKS Specialty Pharmacy to make arrangements to transition to a new pharmacy within the PPN (unless they are already using a preferred pharmacy which is unclear from the Canada Life claims data) by February 28, 2023. If the updated claims data requested from Canada Life for November 2022 and December 2022 indicates additional impacted members, GSC will send letters in mid-January 2023.

Reasonable & Customary (R&C) Charges. At the October 2022 meeting, the Pension & Benefits Committee decided to place a percentage buffer on GSC R&C amounts, to be removed at a future date as GSC's R&C limits increase in order to smooth the transition for plan members. Based on the results of the transition analysis, this buffer will be applied to the following paramedical practitioners: physiotherapy, naturopath, podiatry, Master's of Social Work counsellor, osteopath, and massage based on the results of the transition analysis (psychology will be monitored as transition analysis results were inconclusive). GSC has since highlighted that R&C applies to every eligible expense – not solely to paramedical practitioners – which is a standard practice across the industry but that these R&C levels are proprietary to each provider.

Dental Lab Fees. Lab charges that are in excess of 40% of the dentist's fee in the current general practitioner's fee guide are not considered eligible for reimbursement by GSC. GSC applies a more generous cap of 50% for lab charges for dentures, denture adjustments and additions where a higher lab charge is reasonable and for some appliances, GSC considers 60% to be allowable. This GSC policy exists to deter dentists from charging at higher levels for general lab fees. Unfortunately, lab fee detail is not available within the claims data provided by Canada Life and as such, GSC cannot verify the current allowed lab fees. Some providers allow a 60% level for all types of dental lab fees and GSC is able to override its policy for the University if a 60% level is preferable to minimize potential plan member disruption.

Maintenance Supply. Maintenance drugs for chronic conditions (such as high blood pressure and cholesterol) are typically prescribed on 90-day schedule but can be dispensed on 30 and 60 day schedule. To minimize the dispensing fees charged to the plan and result in less out of pocket for the member, GSC's policy is for pharmacists to dispense a minimum three-month supply of some maintenance drugs for chronic conditions (to a max total fills of 5 per year). Exceptions are available for those who require more frequent dispensing (e.g. due to a cognitive impairment).

GSC has advised that the number of claims management and administrative guidelines are extensive and apply to many services. There may be other differences that have not been disclosed but the information is proprietary in nature and as such, a comparison with Canada Life's similar proprietary information is not possible. Human Resources will monitor the member experiences with GSC following implementation and bring items to the Pension & Benefits Committee, as appropriate.

Action Required: *Decisions required for (i) Dental Lab Fees (GSC policy may differ) and (ii) Maintenance Supply (GSC policy does differ)*

Out-of-Country Coverage – Emergency Medical Services

GSC’s initial proposal submitted through the RFP process included their standard, deluxe travel benefit. Later during the RFP process, GSC was asked to confirm that they would be able to match the current plan design and GSC confirmed their ability to do so. GSC’s assumption was that they would use their standard, deluxe travel benefit, ensuring the corresponding provisions meet (or exceed) the existing plan design.

Through the implementation process, more information about the current plan design (i.e. Canada Life contracts and other documentation) has been made available to GSC versus that which was included through the RFP process. GSC has reviewed the details and has identified some differences from their standard, deluxe travel benefit, as follows:

Canada Life	GSC	Considerations
Hospital accommodation in a standard or semi-private ward or intensive care unit	Hospital accommodation in a standard ward in a public general hospital	GSC has advised the following: <ul style="list-style-type: none"> • If “semi-private” is the base rate, GSC would provide coverage to that base rate (semi-private is largely a Canadian centric definition – generally not used in many countries) • In an emergency, patient typically receives the standard in terms of what is available in that country and repatriation process begins as soon as patient is stable to travel • Ward meets patients’ needs in an emergency
Expense related to pregnancy and delivery, including infant care, are not covered after the 34 th week of pregnancy, or at any time during the pregnancy if the patient’s medical history indicates a higher than normal risk of an early delivery or complications	Any expenses incurred for a child born during the trip within the 8-week period before and after the expected date of delivery are not covered	GSC provision applies limitation at the 32 nd week of pregnancy and limits coverage following delivery; GSC provision does not limit coverage for health reasons earlier in the pregnancy [noting stability still applies].
Transportation to bedside benefit (when an individual is travelling alone) includes moderate quality lodgings up to \$1,500 and for a round trip economy class ticket	Transportation to bedside benefit (when the individual is travelling alone), includes round trip economy airfare, and Meals and Accommodation of \$150/day for 5 days	GSC provision includes meals, but potentially has an overall lower maximum (if they are required to stay longer than 5 days)

Effective January 1, 2023, GSC has decided to make changes to their standard, deluxe travel benefit following a review of their product earlier this year. Their new product provides the following additional support for plan members experiencing an unforeseen medical emergency while traveling; these enhancements exceed the provisions of the current plan design:

- \$75,000 medical referral (versus the \$50,000 noted within the response to the RFP)
- Inclusion of \$350 per stay hospital incidental coverage
- \$10,000 Private Duty Nursing per calendar year (an increase from the previous \$5,000)
- Inclusion of paramedical services at \$500 per profession per emergency for physiotherapy, chiropractor, osteopath and podiatrist/chiropracist
- Return of a travel companion will be included at a one-way economy ticket
- Increase to return of deceased benefit from \$5,000 to \$15,000 for preparation and transportation and will include reimbursement up to \$5,000 for cremation or burial services, noting burial services is a new inclusion
- Increase to dental accident maximum from \$2,000 to \$2,500 and inclusion of treatment of dental pain to \$500 per trip
- Inclusion of care of dependents or return of dependents (\$5,000)
- Pet return will be included up to \$500
- Vehicle return maximum will increase from \$1,000 to \$10,000
- Meals and accommodation max (for trip interruption/delay) will increase from \$150/day for 10 days to \$250/day up to \$5,000 per trip

The above enhancements result in no cost implication since rates for this coverage are pooled. The pooling charges with GSC are guaranteed for a 29-month period, with the first renewal scheduled for May 1, 2025. At that time, travel pooling charges will be adjusted based on GSC’s block of business as opposed to the claims experience under the University’s plan.

Note: in addition to emergency services, out-of-country coverage extends to non-emergency medical and dental services; GSC confirmed their ability to match the plan design through the RFP process. Key differences between emergency and non-emergency care are as follows:

Non-Emergency Care (Rates for this coverage based on Experience)	Emergency Care (Rates for this Coverage are Pooled)
Eligible products/services rendered outside of Canada as though they were incurred within Canada. For example, if an employee is travelling with their family and their child gets an earache, any prescription drugs to treat the earache would be covered under the regular benefit as though they were in Canada. Likewise, if someone is travelling and they receive a massage while on vacation, that expense will be eligible – subject to regular parameters of the plan and paid as though the claim were incurred in Canada.	Coverage for acute treatment of an emergency episode only; any ongoing treatment of that condition is not covered as the individual would be expected to return to Canada*. The intent of emergency out-of-country coverage is to stabilize the individual to allow for their return. From the earache example in the non-emergency care section, initial treatment of the earache would be covered under the emergency out-of-country benefit, but if any follow-up were needed after the fact, the follow up visit would not be covered under emergency care. <i>*Exception applies for international sabbaticals (see section below)</i>

Action Required: *None required – information only (due to pooled benefit provisions)*

Benefits Coverage during “International” Sabbatical

In accordance with Policy 3, Faculty members continue to participate in the benefits program while on sabbatical. In their sabbatical approval letters from the Office of the Provost, faculty members are advised of the following: *“If you will be outside of Ontario for more than 212 continuous calendar days (seven months), you must advise the local Ontario Ministry of Health office in person, before you leave, to make sure your provincial healthcare coverage stays active. Please visit the Human Resources website <https://uwaterloo.ca/human-resources/support-employees/absences-work/faculty-leaves/sabbatical-leaves> for more information about your benefits during sabbatical leave.”*

For those with an international location for their sabbatical, the “emergency care” medical services extends beyond acute treatment to include reimbursement for reasonable and ongoing medical expenses that would have been covered by the provincial healthcare plan when in Canada. Using the earlier earache example, any ongoing treatment and follow up visits relating to the condition that required acute treatment (i.e. to treat the earache), needed after the emergency care medical intervention would also be covered under the benefit plan.

With Canada Life, proof of the provincial healthcare extension is provided at the point of a claim. Those on sabbatical are advised to contact Canada Life before receiving medical treatment internationally and in doing so, need to self-identify as being on sabbatical and as such, eligible for the additional coverage. Effective January 1, 2023, to support a positive member experience (i.e. no delays in confirming coverage and obtaining support) in the event of encountering a medical emergency while international, GSC would like to receive the following information from faculty members who will be international during their sabbatical, in advance of their departure date:

- The time period for their approved sabbaticals with an international location
- A copy of the provincial healthcare extension so that the document can be added to GSC’s claims database

GSC has advised that international benefits coverage available for those on sabbatical is usually the same as all other employees: emergency medical services only. The only exception is that an individual on sabbatical would be eligible for follow up care/appointments while continuing to reside internationally (see examples above); however, in the event that the individual requires additional unforeseen medical assistance, repatriation may be required in order for coverage to apply. This extended coverage following a medical emergency for sabbaticals is insured through the pooled benefit with GSC.

Following a review of the content on the Human Resources website, GSC identified that *“reasonable and on-going medical expenses that would have been covered by the provincial healthcare plan at home”* are not typically extended (i.e. a routine non-emergency doctor’s appointment). While silent in the contract documentation, Canada Life has confirmed that their claims system states that international “routine and ongoing coverage” is included for sabbaticals; however, to access this coverage, specific direction from the University to Canada Life is required to pay corresponding claims for the member (or eligible dependent). Canada Life has reviewed the University’s experience and advised that claims have not been paid for this coverage. An internal process does not exist to support providing this specific claims payment direction to Canada Life.

Options available with the implementation of GSC effective January 1, 2023 are as follows:

Options	Description	Considerations
1 – Remove “routine and ongoing coverage” for international sabbaticals	International benefits coverage available for those on sabbatical includes emergency medical services plus the follow up care/appointments.	Human Resources website will be revised to remove the coverage reference.
2 – Maintain “routine and ongoing coverage” for international sabbaticals with GSC	International benefits coverage available for those on sabbatical includes emergency medical services plus the follow up care/appointments as well as routine and ongoing coverage.	<p>The routine and ongoing coverage would be provided by GSC but excluded from the \$50,000 per individual per year stop loss pooling threshold*.</p> <p>As this would be a non standard process and unique arrangement with GSC, a process and supporting guidelines would need to be developed.</p>
3 – Maintain “routine and ongoing coverage” for international sabbaticals with GSC’s Cigna Travel plan	<p>International benefits coverage available for those on sabbatical includes emergency medical services plus the follow up care/appointments.</p> <p>Routine and ongoing coverage would be provided separately through GSC’s partnership with Cigna either on an individual or group basis.</p>	<p>Global individual plans with a number of options and coverage levels are available for purchase.</p> <p style="text-align: center;">- OR -</p> <p>The University could implement a standard or customized Cigna group policy (minimum enrolment of 5 to 6 employees, depending on the type of plan. This plan could be used to support any employee living out of country, not just those on sabbatical.</p> <p>If this option is selected, additional information will be obtained for review and decision at a subsequent meeting.</p>

**The stop loss pooling threshold is \$50,000 per individual for both Health and Travel combined. There are two components of the rate: (i) the in-country component (Pooling charge: % of claims) and (ii) the Out of Country (OOC) portion of the rate (Pooling charge: Single/Family rates). For the OOC component, rates are pooled and based on the experience of GSC’s entire pool (i.e. not based on the University’s utilization). At the annual renewal, GSC reviews Health & Travel claims (plus administration expenses) for any claimants who exceeded the \$50,000 threshold and a credit is applied on the next month’s ASO billing.*

Action Required: Decision required for “routine and ongoing coverage” for international sabbaticals

Comparison of UW and GSC Standard Plan Designs (update from October 7, 2022)

As required through the RFP process, GSC will match the University’s plan design; however, there are differences relative to their standard plan design offerings. Items shaded in the table below were presented in October 2022 and additional differences identified by GSC through the implementation project, are newly included for awareness.

Provision	UW Plan Design	GSC Standard
Medical Equipment and Aids for Daily Living	<p>The following items are included:</p> <ul style="list-style-type: none"> • Bath Chair/Transfer Bench • Blood pressure monitor and supplies • Bone growth stimulator, rental • Intrauterine Contraceptive Devices • Enteral feeding, nutrient, supplies • Enteral feeding-system • Bath Chair/Transfer bench, rental • Bandages • Toilet seat, raised • Toilet seat, raised, rental • Miscellaneous Respiratory / Cardiology <ul style="list-style-type: none"> ○ Pulse Oximeter ○ Adaptive-Servo Ventilator pump ○ ASV pump rental • General Medical Items: <ul style="list-style-type: none"> ○ Cochlear implant / BAHA supplies & repair ○ Knee Scooter / Walker ○ Knee Scooter / Walker rental (weekly) • Optometric Diagnostic Services <ul style="list-style-type: none"> ○ Heidelberg Retinal Tomography ○ OCT – Optimal Coherence Tomography ○ Optic Nerve Imaging ○ Pachymetry 	Excluded
In-vitro Fertilization	Included	Excluded

Mobility Aid – Power Scooter	Excluded	Included
Medical Equipment	Where maximums are specified, maximums are coded. For all other items, R&C apply.	R&C applies
Prescribers for Diabetic, Aids for Daily Living, Braces, Generally excluded Medical Items/Services, Incontinence/Ostomy, Mobility Aids, Musculo-skeletal, Prosthetics, Respiratory/Cardiology, Vascular Compression	Physician prescription required	Prescribers are a Physician and Nurse Practitioner
Custom fitted foot orthotics & custom-fitted orthopedic shoes	Physician prescription required	Diagnosis and prescription by a Physician, Nurse Practitioner, Podiatrist, and Chiropractor
Program Treatment	Only Donwood Institute and Homewood Health Centre are considered eligible facilities for the Program Treatment benefit.	No facilities are specified; any facility that would fall under Semi Private Room, Hospital provincially funded, for Program Treatment would be eligible.
Visual Training	Eligible when performed by a Physiotherapist	Excluded as a standard service. Where clients allow Visual Training, this is typically allowed when performed by an Optometrist.
Wigs	1 every 12 months based on first paid claim (R&C's subject to change)	1 per lifetime
Claims Submission Rules	12 months from end of calendar year in which the claim was incurred	12 months from the service date of claim
Anti-obesity Drugs	Excluded	Effective March 1, 2023: Standard for all plans unless plan sponsor opt out is provided
Denture Reline & Rebase	Reline – once every 3 years First Paid Claim (FPC), eligible 6 months post-insertion Rebase – once every 3 years FPC, eligible 2 years post-insertion	Once every 24 months based on First Paid Claim (FPC)
Implant Related Services (not the Dental Implants themselves)	Excluded	Included
Chiropractor	80% of \$12.00 per visit for the first 15 visits; thereafter 80% per person, per calendar year	Reimbursement applies to all visits up to the calendar year maximum

Glucose Monitoring System/Supplies	CGMs/FGMs and related supplies combined \$4000 annual maximum	Annual category maximum of \$4,000 with R&C limits within as follows: -GMS Receiver (reader) \$120 for Free Style (\$499 for Dexcom) -GMS Sensors \$115 -GMS Transmitter \$340 Moving to GSC standard would mean future changes to the reasonable and customary amounts would automatically apply
Compression Stockings	12 pairs per calendar year	2 pairs every 4 months
Glasses, Contacts and Medically Necessary Contacts	Excluded	Typically included for comparable sized plans
Convalescent/Rehabilitation	Excluded	Included
Mental Health: Counsellor/Social Worker that are not a Registered Psychologist, Registered Social Worker holding a Master's degree in Social Work or a Registered Psychotherapist	Excluded	Becoming standard
Erectile Dysfunction	No R&C limits	R&C limits apply
Dental Scaling	16 units every calendar year Combined with Perio Scaling & Root Planing	8 units of scaling per year

Other Information – Medical Equipment. Canada Life contracts do not define coverage for several expenses that are standardly excluded and included by GSC. Canada Life was engaged to confirm existing coverage and differences have been captured above while some items are still awaiting confirmation, as follows:

Provision	Expense	UW Plan Design	GSC Standard
Musculo-Skeletal	Cold Therapy	To be confirmed	Excluded
	Heat Therapy	To be confirmed	Excluded
	Traction equipment	To be confirmed	Included
	Traction equipment rental	To be confirmed	Included
Miscellaneous Respiratory / Cardiology	Humidifier (table top)	To be confirmed	Excluded
	Anterior mandibular positioner	To be confirmed	Included
	Compressor, supplies	To be confirmed	Included
	Inhalant Devices	To be confirmed	Included
Stockings	Stocking Aid	To be confirmed	Excluded

General Medical Items	Enuresis device	To be confirmed	Excluded
	Maxillofacial prosthesis (obturator)	To be confirmed	Excluded
	Motion Therapy Device	To be confirmed	Excluded
	Parenteral feeding, nutrient, supplies	To be confirmed	Excluded
	Parenteral feeding system	To be confirmed	Excluded
	Nutritional supplements	To be confirmed	Excluded
	Nutritional supplements, Cancer	To be confirmed	Excluded
	IV supplies	To be confirmed	Excluded
Prescribers for Audio (Hearing Aids)	For Cochlear implant / Baha supplies and repair, prescribers are a Physician, Physician Assistant, or Audiologist; Prescribers for all other Audio expenses to be confirmed	Prescribers are an Audiologist, Physician, and ENT	

Action Required: *None required – GSC will implement the University’s existing plan design effective January 1, 2023; if any of those items that require confirmation from Canada Life differ from the GSC Standard, information will be brought to a subsequent meeting for awareness*

2023 Maximum Pension Limit and CAP - Registered Pension Plan (RPP)

The Income Tax Act (ITA) governs the maximum pension payable from the Registered Pension Plan (RPP). Each January 1st the limit is adjusted based on the previous year's Average Industrial Wage (AIW) increase.

The following table shows the RPP ITA maximum pension limit effective January 1, 2023:

Plan	2022 Limit		2023 Limit	
	Maximum Annual Pension per year of Pensionable Service	Final Average Earnings Threshold	Maximum Annual Pension per year of Pensionable Service	Final Average Earnings Threshold
RPP (ITA) Maximum Pension Limit	\$3,420	\$188,910	\$ 3,506.67	\$193,886

***AIW increase is 2.53%** (difference in the RPP limit for 2023 over 2022). AIW increase in 2020 and 2021, of 4.96% and 5.37% respectively, were significantly higher than previous years due to the COVID-19 impact, which resulted in lower paid jobs being removed from the workforce. As was anticipated, the current AIW increase is lower and more in line with 2019's AIW increase of 2.20%. Future AIW increases might be higher due to inflationary pressures on salary negotiations.

In addition to the maximum pension limit, the UW plan text imposes an overall CAP on the maximum pension limit, restricting the limit from exceeding the CAP. The RPP was amended effective January 1, 2021, to include an automatic increase in the RPP CAP each calendar year beginning January 1, 2022, equal to one-third of the AIW increase. The automatic increase to the RPP CAP was implemented in place of increasing the PPP CAP. Effective January 1, 2023 the plan was amended to increase the CAP to \$4,000, with automatic increases beginning January 1, 2024, equal to one-third of the AIW increase.

Plan	2022 CAP	2023 CAP
	Maximum annual pension per year of pensionable service	Maximum annual pension per year of pensionable service
RPP (plan imposed)	\$3,460.91	\$4,000

The RPP CAP has an impact on the valuation of the liability associated with the RPP.

Projection of when the ITA Maximum Pension Limit will reach the RPP CAP

	ITA Limit Projection	RPP CAP Projection	ITA Limit Projection	RPP CAP Projection	ITA Limit Projection	RPP CAP Projection	ITA Limit Projection	RPP CAP Projection
Rate	2.50%		3.00%		4.00%		5.00%	
2024	\$ 3,594	\$ 4,033	\$ 3,612	\$ 4,040	\$ 3,647	\$ 4,053	\$ 3,682	\$ 4,067
2025	\$ 3,684	\$ 4,067	\$ 3,720	\$ 4,080	\$ 3,793	\$ 4,107	\$ 3,866	\$ 4,134
2026	\$ 3,776	\$ 4,101	\$ 3,832	\$ 4,121	\$ 3,945	\$ 4,162	\$ 4,059	\$ 4,203
2027	\$ 3,871	\$ 4,135	\$ 3,947	\$ 4,162	\$ 4,102	\$ 4,218	\$ 4,262	\$ 4,273
2028	\$ 3,967	\$ 4,169	\$ 4,065	\$ 4,204	\$ 4,266	\$ 4,274	\$ 4,475	\$ 4,345
2029	\$ 4,067	\$ 4,204	\$ 4,187	\$ 4,246	\$ 4,437	\$ 4,331	\$ 4,699	\$ 4,417
2030	\$ 4,168	\$ 4,239	\$ 4,313	\$ 4,289	\$ 4,615	\$ 4,389	\$ 4,934	\$ 4,491
2031	\$ 4,273	\$ 4,275	\$ 4,442	\$ 4,331	\$ 4,799	\$ 4,447	\$ 5,181	\$ 4,566
2032	\$ 4,379	\$ 4,310	\$ 4,575	\$ 4,375	\$ 4,991	\$ 4,506	\$ 5,440	\$ 4,642

2023 ITA Maximum Employee Contribution Limit

Employee contribution rates increased each May 1st for the last three years. May 1, 2022 was the last rate increase, as shown below:

Portion of Salary	Contribution Rates Effective			
	May 1, 2022	May 1, 2021	May 1, 2020	Prior to May 1, 2020
Up to and equal to YMPE	7.80%	7.40%	6.95%	6.25%
Above YMPE	11.20%	10.60%	9.95%	8.95% between 1 x and 2 x YMPE
				9.95% above 2 x YMPE

*The 2023 YMPE or Year's Maximum Pensionable Earnings, as defined under the Canada Pension Plan, is \$66,600. The YMPE was \$64,900 for 2022, \$61,600 for 2021, and \$58,700 in 2020.

The ITA also limits annual member contributions, and this limit adjusts annually based on the AIW increase. The following table highlights the member contribution limit change effective January 1, 2023:

2022 Contribution Limit		2023 Contribution Limit	
Maximum annual contribution	Annual Earnings Threshold	Maximum annual contribution	Annual Earnings Threshold
\$22,126	\$220,812	\$22,672	\$222,646

Action Required: None