OSSTF BENEFITS MEMORANDUM

To: All OSSTF Education Workers eligible to participate in the OSSTF ELHT Benefits Plan

From: Donna Morrison, Executive Director

Date: June 2026

Re: **OSSTF ELHT Benefits Plan**

This memorandum provides important information about OSSTF ELHT Benefits Plan Design Efficiencies and Changes to Member Premium Contributions that are being implemented effective September 1, 2026.

Introduction

Negotiated FTE Funding and Member Premium Contributions are the only two forms of ongoing funding for the OSSTF ELHT Benefits Plans. Negotiated FTE funding levels are as outlined in the OSSTF Central Agreement for Education Workers which expires August 31, 2026. Until a new Central Agreement is ratified, future funding of the plan beyond August 31, 2026 is unknown. The funding that the OSSTF ELHT receives and overall costs to the plan (which includes the premiums that are paid to the Insurance carriers/claims payers) need to be taken into consideration by the OSSTF ELHT Board in determining whether plan design changes and/or changes to member premium contributions are required to address any funding shortfalls.

Each year the OSSTF Employee Life and Health Trust is required to do an Actuarial Valuation that projects the financial position of the plan for at least the next 3 years. Due to the expiration of the OSSTF Central Agreement for Education Workers, this year's actuarial valuation was completed based on no change to the current FTE Funding level. The Actuarial Valuation projects that the assets of the Education Worker/LTA plan will reduce from 27.4 to -6.9% of total operating costs during the September 2026 to August 2027 and September 2027 to August 2028 financial years. The Trust Agreement states that when assets are projected to be 8.3% or less, cost containment measures and/or increase to member premium contributions need to be implemented.

OSSTF ELHT 2026-2027 Education Worker/Long Term Assignment Education Worker Benefit Plan Renewal

The OSSTF ELHT Benefit Plan for eligible Education Workers//LTAs renews each September 1st. After a thorough analysis of plan usage, experience, funding and rising health and dental benefit costs, the OSSTF Employee Life and Health Trust Board of Trustees have approved the following renewal premium rate adjustments effective September 1, 2026.

- Basic Life Insurance premium rates are decreasing by 4.3% and Basic AD&D (Accidental Death and Dismemberment) rates are unchanged through this renewal. For active members, these benefits are mandatory (based on 2 times annual earnings), however there **is no member required contribution towards this premium**. The premiums for these benefits are paid for by the OSSTF ELHT on behalf of active members and are a taxable benefit which results in a T4A being issued to these members. The reduction to the Basic Life rate will result in a slight decrease to the taxable premium on the T4A issued.

- Optional Life insurance premium rates (member/spouse partner/child) are reducing by 10.0% and Optional Accidental Death and Dismemberment rates are unchanged*. This benefit is 100.0% paid by participating members.
  * Note: Member and Spousal Optional Life rates are based on 5 year age bands. Although renewal Optional Life rates are reducing, an age band change may result in an increase to Optional Life monthly costs for a participating member or spouse.
- Extended Health rates are increasing by 0.9%.
- Dental rates are not changing.

These changes result in an overall premium increase paid to the carrier by the OSSTF ELHT for the Education Workers and LTAs benefit plan of 0.4%.

Plan Design Efficiencies

The benefit plan renewal considered the plan design efficiencies that the OSSTF ELHT is in the process of implementing as well as those set to be implemented during the 2026-2027 benefit year. These include the following:

Biosimilar Drugs – for new starts where a biosimilar is available the OSSTF ELHT benefit plan will only cover a biosimilar drug in place of the corresponding biologic drug. The OSSTF ELHT has also implemented biosimilar switches for existing plan members and their dependents using Humira, Remicade, Enbrel, Rituxan, Stelara, Lantus, Humalog, and Novorapid to a biosimilar equivalent drug. In keeping with this process, as new biosimilar drugs become available, existing plan members and/or eligible dependents using a biologic specialty drug will also be switched to an available biosimilar.

Preferred Generics – for certain non-biologic specialty drugs, the use of the preferred generic equivalent drug can not only provide appropriate treatment for the member and/or dependent but also generate significant cost savings to the plan. Currently preferred generic non-biologic specialty drugs are being approved and dispensed for new claimants, and it is the intention of the OSSTF ELHT to also transition existing claimants to these preferred generic drugs.

Additional Specialty Drugs will also be transferred to be dispensed by MemberRx.

For all specialty drug switches, communication is being provided to affected plan members prior to any switches being made. In cases where medical documentation supports the medical necessity of a member and/or eligible dependent continuing the currently approved drug, the claim will continue to be honoured.

Reference Pricing on Proton Pump Inhibitors (PPIs). PPIs are drugs that reduce the production of stomach acid, and there are many similar drugs available with significant cost differentials. PPIs will be reimbursed at a maximum allowable cost / reasonable and customary limit based on the price of a specific reference drug in the same therapeutic category. This provision includes reducing the unit price of any brand or generic version of esomeprazole, omeprazole, lansoprazole, dexlansoprazol, pantoprazole, and rabeprazole to no more than $0.20 per unit plus standard generic ingredient markup using generic pantoprazole as the reference cost.

Removal of Basic Life Benefits Waiver of Premium – for a member who becomes disabled on or after September 1, 2026, there will no longer be the requirement for them to apply for Life Insurance Waiver of Premium Benefits. As of this date, Basic Life Insurance and Accidental Death and Dismemberment Benefits will be continued for newly disabled members on a premium paying basis by the OSSTF ELHT. This will not result in any additional premium costs for members approved for long term disability benefits.

Additional efficiencies to be implemented includes changes to the Coordination of Benefits rules between the OSSTF ELHT benefit plan and secondary benefit plans that a member or dependents are eligible to make health and or dental claims under will be implemented in the 2026/2027 Benefits Year. Information on this change will be communicated to all members prior to the implementation date.

Member Premium Contributions

Since inception of the OSSTF ELHT in 2016/2017, full time (1.0 FTE) members have been required to contribute 6% of the associated health and dental benefit premiums if they are participating in these benefits. Members working less than full time (less than 1.0 FTE) have been required to pay additional pro-rated member premium contributions based on the FTE of their eligible active position. Although the cost of providing health and dental benefits has increased every year, the level of member premium contributions has not changed since the inception of the OSSTF ELHT Benefits.

Effective September 1, 2026, member premium contributions will increase to represent 6% of the 2025/2026 health and dental premium costs for full time (1.0 FTE) members and the pro-rated member premium contributions for members working less than full time (less than 1.0 FTE) will also increase accordingly. This change will be reflected in the Pre-Authorized Debit withdrawal from member's bank accounts that will be processed September 10, 2026.

Here is a summary of the new health and dental member paid premium levels (including 8% retail sales tax) that will apply effective September 1, 2026:

Eligible OSSTF Education Workers and LTAs

Monthly Member Share		1.0 FTE	0.9 FTE	0.8 FTE	0.7 FTE	0.6 FTE	0.5 FTE
Health	Single	$11.16	$28.65	$46.14	$63.63	$81.11	$98.60
	Family	$27.91	$71.63	$115.36	$159.08	$202.81	$246.53
Dental	Single	$5.05	$12.96	$20.86	$28.77	$36.68	$44.59
	Family	$12.62	$32.39	$52.16	$71.93	$91.70	$111.47

Monthly Member Share		0.4 FTE	0.3 FTE	0.2 FTE	0.1 FTE	0.0 FTE
Health	Single	$116.09	$133.58	$151.06	$168.55	$186.04
	Family	$290.26	$333.98	$377.71	$421.43	$465.16
Dental	Single	$52.50	$60.41	$68.31	$76.22	$84.13
	Family	$131.25	$151.02	$170.79	$190.56	$210.33

Note: This increase will not apply to current Long Term Disability Benefit claimants who have an approved LTD benefit claim effective date prior to September 1, 2026. For these members, current member premium contributions will be exempt from this increase and their member premium contributions will be the same as the member was paying while active for the first 24 months of their LTD claim, and then 100% of the health and/or dental premium costs prior to the September 1, 2026 change.

Future Changes

It is important to note that it may be necessary for the OSSTF ELHT to make changes to the plan design and/or member premium contributions for eligible OSSTF Permanent and Long Term Assignment Education Workers on or before September 1, 2027. The OSSTF ELHT is committed to providing advance notice to all eligible members should any further increase in member contributions or plan design changes need to be implemented.

If you have any questions or comments regarding this renewal or the OSSTF ELHT Benefits Plan for eligible Education Workers and LTAs in general, please submit your questions to comments@osstfbenefits.ca.