

April 2025**Re: Plan Member Update Spring 2025**

Dear Member,

As Trustees of the Power Sector Benefit Trust (PSBT), we are writing to provide you with our annual update.

For newer Members that may not be familiar with the Power Sector Benefit Trust it is helpful to review the foundation of the Plan. The Trust is managed by Plan Members for Plan Members and their families. The Trust is not a 3rd Party commercial benefits Plan provider. As Plan Members, we set the level of coverages and we set the level of premiums needed to cover the cost of the claims, based on the usage of benefits by the Plan Members and their families. The formula is simple. The PSBT pays for what the Plan Members use. The PSBT Plan has been in place for more than 25 years and as a result, we have been able to track our group claims experience to make accurate projections of current costs and future increases due to industry trends and inflation.

The Governance Model, adopted by the Trustees, requires an annual review of the operation of the Plan that includes reports from our benefits consultant, Sonny Goldstein, Nesbitt Burns who manage our Health and Welfare Plan Investments, Canada Life who provide administrative services, and Homewood Health that supports our internal Member and Family Assistance Plan. We engage our Partners in providing the Trustees with updates to the latest economic trends in the industry as well as current directions in health and wellness within the broader Canadian society. The reports are used by the Trustees when considering the benefits that are provided by the Plan going forward.

Our Plan has experienced consistent increases in claims across all major benefit categories since 2022 as detailed below:

Calendar Year	Dental	Paramedical	Drugs	Other (including Vision)	Total
2024	\$8.55M	\$3.33M	\$8.49M	\$2.44M	\$22.81M
2023	\$7.90M	\$2.56M	\$8.03M	\$2.24M	\$20.73M
2022	\$6.86M	\$2.12M	\$7.37M	\$1.86M	\$18.21M

This represents a 10% increase from 2023 to 2024, with a projected 5% increase for a total of \$24.0M for the current 2025 year. Emerging trends such as a projected 58% increase in GLP-1 drug usage (e.g., Ozempic) over the next two years are placing further cost pressures on the Plan.

The Plan is funded through your Health & Welfare hourly contributions that are negotiated as part of the total wage package in your collective agreements, and remitted by the employers to PSBT as required by the collective agreement. Canada Revenue Agency recognizes that contributions sent to a Multi-Employer Benefit Trust Fund designated for the purchase of benefits are remitted

without any tax being paid at source by the Member. As long as these funds are used to purchase benefits through the Trust, there would be no tax implications to the member. These contributions are made to the Trust, and not to individual members. For Plan Members, where employers are paying the premium directly on behalf of their employees, the same tax arrangement applies. The Trust Fund also includes an option in the Plan rules that allows Members of the Plan to become a Pay Direct member and make payments directly to the Plan when there are insufficient funds from employer contributions in their account to continue the payment of the premiums. Pay Direct payments are subject to RST, which is removed from the amount deposited to the account.

The Power Sector Benefit Trust is a Group Plan. Premiums are based on the claims experience of the group and not the claims experience of individual members. The premium is set based on the level of coverage provided through the Plan, as set by the Members, and the level of usage of the coverage available for the Members and their families. There is a monthly rate set for family and a monthly rate set for single coverage based on age over or under 65. These rates apply to all Members regardless of individual usage of the Plan.

After a thorough review of the annual reports and an in-depth assessment of the current Plan usage, the Trustees have made the decision to increase the monthly premium by \$30.00/month to maintain the level of coverage approved by the Plan Members, and to delay the implementation of coverage increases to the Life Insurance and Long-term Disability benefits. This decision was not made easily and was made with the long-term sustainability of the Plan in mind.

In the best interest of all Plan Members, the decision was based on several key factors, including:

- The actual usage trends compared to original projections.
- The financial sustainability of the benefit pool.
- The goal of preserving benefits for all Plan Members.
- Our commitment to fairness and shared responsibility.

The new rate chart is below:

<u>Employed Member Premiums</u>				
Single	Under 65	Age 65	Age 71	Age 75+
Premium	\$ 322.52	\$ 235.47	\$ 234.47	\$ 218.23
Family	Under 65	Age 65	Age 71	Age 75+
Premium	\$ 430.68	\$ 339.10	\$ 337.10	\$ 320.86
<u>Pay-Direct Member Premiums (RST included)</u>				
Single	Under 65	Age 65	Age 71	Age 75+
Premium	\$ 271.74	\$ 253.11	\$ 252.03	\$ 234.49
Family	Under 65	Age 65	Age 71	Age 75+
Premium	\$ 388.55	\$ 365.03	\$ 362.87	\$ 345.33

We appreciate your understanding and continued support as we work together to maintain a strong and sustainable benefit Plan for everyone.

Warm regards,

On behalf of the Trustees,

Bob Hamilton
Gary Fiege
Jennifer Whyte (PWU)
Don Levesque
Melissa Baron