

## Non-Union Benefits

Presented To:	Finance and Administration Committee
Meeting Date:	June 18, 2024
Type:	Managers' Reports
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Recommended by:	General Manager of Corporate Services

## Report Summary

This report provides a recommendation regarding benefit improvements in mental health supports for all eligible active non-union employees and benefit improvements in key areas of vision care, hearing aids and paramedical services for non-union retirees.

## Resolution

THAT the City of Greater Sudbury directs staff to implement improvements for non-union active benefits and non-union retiree benefits, as outlined in the report entitled “Non-union Benefits”, from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on June 18, 2024.

## Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

This report refers to operational matters.

## Financial Implications

### 1) Non-union Active Employee Benefits

The total annual cost for the recommended improvements is \$48,990 (subject to change based on rate renewal). This cost is based on 2024 rates and would provide coverage for each active employee currently enrolled in a non-union benefit plan including any eligible dependents.

### 2) Non-union Retiree Benefits

The total annual cost for the recommended improvements is \$10,990 (subject to change based on rate renewal). This annual cost is based on 2024 rates and average enrollment for non-union retirees per year.

These costs will form part of the year end position. If approved, the changes would be effective July 1 with a total financial impact for 2024 of approximately \$30,000.00. The cost will be updated in the 2025 approved budget and presented to Finance and Administration Committee in the 2025 budget update report.

## **Background**

### **1) Current Non-Union Active Employee Benefits**

Prior to 2019, the benefit plans for non-union were the same as CUPE Inside and Outside and any benefit improvements negotiated during bargaining with CUPE Inside and Outside were applied to the benefit plan(s) for active non-union employees.

In 2019, CGS undertook a non-union benefit modernization project. Although there were some minor improvements in the areas of orthotics, vision care, orthodontics and the introduction of a small health care spending account, the most significant improvements were in paramedical services.

Instead of having individual coverage amounts for all paramedical services, the new plan offers a combined maximum of \$2,000.00 per calendar year for the employee and each eligible dependent. This covered the following services:

- Chiropractors, Physiotherapist (including Athletic Therapists), Registered Massage Therapists, Speech Therapists and Counselling Services provided by psychotherapist, psychologists, and social worker with certification.

In addition, there was a combined maximum of \$500.00 per calendar year for the employee and each eligible dependent that covers the following services:

- Dieticians, Naturopathic Doctors, Osteopaths, Podiatrists and Chiropractors.

These pooled maximums allowed employees to focus on services that are specific to their needs. At the time of these benefits increases there were changes that reduced costs associated with non-union benefits which included an increase to prescription deductibles, a reduction in dispensing fee coverage, removal of over-the-counter drug coverage, mandatory generic substitution and a change to the dental plan recall from six to nine months.

### **1b) 2023 Negotiations with CUPE Inside and Outside Unit Employees**

In 2023, as an outcome of collective bargaining negotiations with CUPE Inside and Outside Units, bargaining unit employees now have a combined maximum coverage of \$2,000.00 per calendar year for paramedical services which includes:

- Chiropractors, Massage Therapists, Physiotherapists, Athletic Therapists, Osteopaths, Podiatrists, Chiropractors, Naturopaths and Dieticians

**plus an additional, new benefit of:**

- \$2,000.00 per calendar year for mental health supports/counselling services provided by Psychotherapists, Psychologists and Social Workers.

These benefit enhancements apply to the employee and each eligible dependent.

These changes were made in response to the significant and on-going demand for mental health supports. Based on disability trend reports from Canada Life over the past number of years, mental health conditions have been the top diagnosis for short-term disability (STD) claims. On average, mental health conditions have accounted for one third of all STD claims and represent over 55% of long-term disability (LTD) claims accepted.

As a result, additional investments in mental health benefit supports for non-union staff in alignment with unionized benefits are recommended.

Table 1: Summary of Proposed Changes to Active Non-union Benefit Plan

Paramedical Services	Proposed Active Non-union Coverage	Current Active CUPE Inside and Outside Coverage
Chiropractor, Physiotherapist including Athletic Therapist, Massage Therapists, Speech Therapist/Pathologist	Have a combined maximum of \$2,000.00 per calendar year for each employee and eligible dependent.	Combined maximum of \$2,000.00 per calendar year for each employee. \$1,000.00 per calendar year for each eligible dependent. Speech therapist - \$418.00 per employee.
Counselling services provided by Psychotherapist, Psychologist, Social Worker with certification	Now a separate stand-alone item at a maximum of \$2,000.00 per calendar year for each employee and eligible dependent.	\$2,000.00 per calendar year for each employee.
Dieticians, Naturopathic Doctor, Osteopath, Podiatrist, Chiropodist	No changes recommended; will remain \$500.00 per calendar year.	Included with the combined coverage of \$2,000.00 per calendar year.

## 2) Current Non-Union Retiree Benefits

Historically, the non-union retiree benefits have been tied to CUPE Inside and Outside retiree benefits and have only seen improvements when CUPE Inside and Outside negotiate improvements for their retiree plans. As a result, there has been little to no improvements to non-union retiree benefits over the past number of years. Since 2005, there has only been one small incremental increase to vision care which is currently \$230.00 every twenty-four (24) months. There have been no other improvements to non-union retiree benefits since 2005.

Based on feedback received from our long-tenured employees that are transitioning to retirement, the current non-union retiree benefit plan does not provide sufficient coverage in three key areas: vision care, hearing aids and paramedical services. On average, there are approximately eleven (11) non-union employees enrolled in the retiree benefit plan per year. The average age of retirement is sixty (60) years of age, which means the retiree benefits are provided an average of five (5) years. Retiree benefits terminate at age sixty-five (65) when retirees become eligible for the provincially funded health care plan for seniors.

### **Analysis of Current Level of Retiree Benefits**

**Vision Care** – There is no coverage for eye exams (including retinal scans) which costs between \$100.00 - \$200.00 per exam. Eyeglass coverage (including contact lenses and laser surgery) is limited to \$230.00 every twenty-four (24) months which is below the \$500.00 every twenty-four (24) months that was recently negotiated by CUPE Inside and Outside bargaining units.

**Hearing Aids** – There is no coverage for hearing aids under the current plan. Based on Statistics Canada, hearing loss is more common in older individuals and over 35% of adults over the age of sixty (60) will experience some sort of hearing loss due to aging. The cost of hearing aids in Ontario can vary widely depending on the brand, technology level, features, and provider. On average, a single hearing aid can cost between \$2,500.00 and \$3,500.00, but prices can range from \$1,000.00 to \$8,000.00 or more.

**Paramedical Services** – This is an area where benefits are lagging other municipalities. The following provides a summary of the paramedical services currently available and the average costs for these types of services:

- Massage Therapist – \$7.00 per visit to a maximum of twelve (12) visits each calendar year. The average cost of Massage Therapy in Ontario is \$113.00 per hour.
- Physiotherapist – \$12.20 per visit. The average cost for Physiotherapy in Ontario is \$100.00 per hour.
- Psychologist – \$35.00 per initial visit then \$20.00 per hour for subsequent visits to a max of \$200.00 each calendar year. The average cost for a visit with a psychologist is \$240.00 per hour.

- Speech Therapist – \$200.00 per calendar year. The average cost of Speech Therapy in Ontario is \$190.00 per hour.

In addition, unlike many other retiree benefit plans, the current non-union retiree plan does not have coverage for other paramedical services such as: Chiropractors, Athletic Therapists, Psychotherapists, Social Workers, Occupational Therapists, Dieticians, Naturopaths, Osteopaths, Podiatrists and Chiropodists. A survey of retiree benefits offered by other municipalities was conducted (Appendix 1: Municipal Comparator Summary). Out of the eight (8) municipalities that responded to the survey, the current level of retiree benefits offered by CGS are lagging other municipalities particularly in paramedical services for retirees.

It is recommended that the following benefits be improved for retirees effective January 1, 2024, currently enrolled in a non-union retiree benefit plan including any eligible dependents as follows:

- Vision Care:
  - Increase coverage for eyeglasses (which includes contact lenses and laser surgery) to \$500.00 every twenty-four (24) months.
  - Update coverage for eyeglasses to include vision therapy.
  - Add eye exam coverage including retinal scans in the amount of \$150.00 every twenty-four (24) months.
- Hearing Aids:
  - Add hearing aid coverage in the amount of \$650.00 every sixty (60) months.
- Paramedical Services:
  - Provide a combined maximum of \$1,800.00 per calendar year for paramedical services. The following services would be covered under the combined maximum: Chiropractors; Physiotherapists (including Athletic Therapists); Registered Massage Therapists; Speech Therapists; Counselling Services (including Psychotherapists, Psychologists, Social Works with certification and Occupational Therapists); Dieticians; Naturopaths; Osteopaths; Podiatrists and Chiropodists.

The following table provides a summary of the proposed changes to the retiree benefit coverage and the current retiree benefit plan in place for the Inside and Outside bargaining units.

Table 2: Summary of Proposed Changes to Non-union Retiree Benefit Plan

Benefit Coverage	Proposed Retired Non-union Coverage	Current Retired CUPE Inside and Outside Coverage
Vision care for eyeglasses, contact lenses, laser surgery and vision therapy	\$500.00 every twenty-four (24) months.	\$500.00 every twenty-four (24) months.
Vision care for eye exam (including retinal scans)	\$150.00 every twenty-four (24) months.	None
Hearing aids	\$650.00 every sixty (60) months.	None
Paramedical Services: Chiropractor, physiotherapists (including athletic therapists), registered massage therapists, speech therapists, counselling services (provided by psychotherapists, psychologists, social workers with certification and occupation therapists), dieticians, naturopaths, osteopaths, podiatrists, chiropodists	Combined maximum of \$1,800.00 per calendar year for the employee and each eligible dependent.	Massage therapists - \$7.00 per visit to a maximum of twelve (12) visits per calendar year. Physiotherapists - \$12.20 per visit. Psychologists - \$35.00 per initial visit then \$20.00 per hour for subsequent visits to a maximum of \$200.00 each calendar year. Speech therapists - \$200.00 per calendar year.

## Conclusion

The recommended changes to the benefit plans for non-union employees will enable non-union employees to receive at least the same level of benefits as the largest two (2) bargaining units. In addition, the enhancements will enable CGS to provide a competitive level of non-union benefits that will assist in attracting and retaining talent needed to provide services to the community.