

November 29, 2023

To: Benefit Administrators / Human Resource Personnel / Union Partners

From: Lorne Shiplack
Director Benefit Services, Employee Benefits

Re: Core Dental Plan Contribution Rate Increase Effective April 1, 2024

Following their annual review with the plan actuary, the Employee Benefit Plans Board of Trustees approved an increase to the core dental contribution rate from \$70.75 per full-time equivalent (FTE) to \$77.75 per FTE effective April 1, 2024.

The funding position of the Plan has continued to deteriorate as a result of inflation and the sensitivity of the plan assets to elevated interest rates. In addition to the investment market experience, the Saskatchewan Dental Association Fee Guide, effective January 1, 2023, saw another 6% increase over the prior year. The increase to the Fee Guide and the claims utilization are both significant drivers of the increase to claims costs this year.

The Core Dental Plan is an Administrative Services Only (ASO) arrangement, which means the Plan covers the full cost of actual claims incurred plus an administrative fee for service to the insurance provider for paying the claims on the Plan's behalf.

The Employee Benefit Plans Committee and the Board of Trustees will continue to monitor the core dental contribution rate closely to ensure there is adequate funding available to cover the costs of the plan. We will inform you of the rate for 2025 in the fall of 2024. A rate increase will only be implemented if it is required.

If you have any questions about the core dental contribution rate for 2024, please contact Lorne Shiplack at Lorne.Shiplack@3sHealth.ca or 306.347.5528.