

June 15, 2016

To: Participating Employers
From: Bud Anderson
Director, Employee Benefits
RE: CUPE, SUN and SEIU-West Disability Income Plan Contribution Rate Decreases August 2016

The Actuarial Valuations for funding purposes for the CUPE, SUN, SEIU-West and General Disability Income Plans were presented by the Plans' actuary to the Employee Benefit Plans Committee on May 5, 2016. The Employee Benefit Plans Committee reviewed the Actuary's findings, discussed the recommended contribution rates and forwarded the valuations with recommendations for funding of the four Plans to the 3sHealth Employee Benefit Plans Board of Trustees. The Trustees met on May 30th and approved Disability Income Plan contribution rate decreases for the CUPE, SUN and SEIU-West Plans effective the first full payroll period in **August 2016**. The General Plan contribution rate remains unchanged.

The charts below show the financial positions of the four Plans at December 31, 2014 and December 31, 2015. The new rates for the CUPE, SUN and SEIU-West Plans are included in the charts. Rates for employees in the CUPE and SEIU-West Plans who are 65 years of age or older will not change, nor will rates change for employees of RQHR who are members of the Regina Civic Plan.

CUPE Disability Income Plan

	December 31, 2014	December 31, 2015
Surplus (deficit) from the Funding Valuation	\$29,369,000	\$39,798,000
Number of long-term claims	482	509
Number of short-term claims	119	102
Contribution rates		
Contribution rate effective August 1, 2015		3.22%
Contribution rate effective August 1, 2016		2.70%

The CUPE Disability Income Plan's financial position continues to improve. The Plan's surplus grew by approximately \$10,000,000. The new rate that has been approved is intended to cover new claims but not add to the surplus. The impact in the reduction of the contribution rate means that during the remainder of the 2016/17 fiscal year plan members' and employers' contributions will decrease by \$1,370,000.

SUN Disability Income Plan

	December 31, 2014	December 31, 2015
Surplus (deficit) from the Funding Valuation	\$27,064,000	\$32,688,000
Number of long-term claims	243	243
Contribution rates		
Contribution rate effective August 2015	1.65%	
Contribution rate effective August 1, 2016		1.50%

The SUN Disability Income Plan's financial position continues to improve and the Plan surplus has continued to grow. Combined savings for the 2016/17 fiscal year for employers and employees with this reduction is approximately \$620,000.

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SEIU-West Disability Income Plan

	December 31, 2014	December 31, 2015
Surplus (deficit) from the Funding Valuation	\$18,893,000	\$28,000,000
Number of long-term claims	440	387
Number of short-term claims	91	71
Contribution rates		
Contribution rate effective April 1, 2015		2.78%
Recommended contribution rate effective August 1, 2016		2.50%

In 2015 the SEIU-West Disability Income Plan's surplus increased by approximately \$9,000,000. As a result, the contribution rate has been decreased. The reduction in the contribution rate will result in combined savings of \$624,000 for employers and employees for the remainder of the 2016/17 fiscal year.

General Disability Income Plan

	December 31, 2014	December 31, 2015
Surplus (deficit) from the Funding Valuation	\$14,660,000	\$14,234,000
Number of long-term claims	189	198
Contribution rates		
Contribution rate effective April 1, 2015		1.30%
No change recommended		1.30%

The General Disability Income Plan's surplus decreased slightly in 2015. Although some concern was raised as the Valuation points to higher liabilities, the Committee is recommending no change to the contribution rate.

Please note that the DIP Monthly Contribution Report with the new rates will be posted in the second week of August.

If you have any questions about the new rates, please contact me at bud.anderson@3sHealth.ca.