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D/BU #162/2025–2026

Important Changes to OSSTF Benefits Plan - Effective September 1, 2026

To: Presidents and All Members

From: Vaino Poysa, General Secretary

For Information

Effective September 1, 2026, there will be important changes to the OSSTF Employee Life and Health Trust (ELHT) for both Teacher and Long-Term Occasional (LTO) plan members and for Education Worker and Long-Term Assignment (LTA) plan members.

It is important that all members receive the following communication and are aware of the changes that will be made to the OSSTF Benefits plan. We ask that presidents share this communication widely over the summer to all members through local channels.

A communication from OSSTF Benefits has been sent to all current plan members via their work email, or the email that has been registered with Ontario Teachers Insurance Plan (OTIP) for benefits communications. This communication is available on the OSSTF Benefits website: <https://www.osstfbenefits.ca/news/>.

These changes are summarized below. However, all plan members should refer to the official communication from OSSTF Benefits for more detailed information.

Benefits Trust Funding

OSSTF Benefits provides life and health benefits for OSSTF/FEESO members who meet the eligibility terms of the Trust. This Trust is funded based on full-time equivalent payments from school boards that are bargained during central negotiations between OSSTF/FEESO and the government and school boards, as well as by member share premiums. In recent years, benefit costs have risen sharply, while benefits usage remains high. Additionally, as current Collective Agreements expire on August 31, 2026, employer funding of the plan will remain frozen at current levels until a new collective agreement is reached.

This means that OSSTF Benefits is using its reserves to fund benefits. The annual actuarial evaluation of the Trust shows that these reserves are set to fall below 8.3% of annual operating costs by the end of 2027. Under the Trust Agreement, the Trust is required to take action to contain benefit costs and/or increase plan member premiums in order to sustain the plan.

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 has approved an increase to member share premiums, along with additional plan design efficiencies, that will minimize the impact on members while retaining current levels of benefit coverage.

The following renewal premium rate adjustments take effect September 1, 2026. This renewal sets the rates that OSSTF Benefits is charged by the insurance carrier.

- A slight decrease in premiums for mandatory Life Insurance rates for all plan members. This will result in a smaller T4A tax benefit being reported to Canada Revenue Agency (CRA), as the premiums are not paid directly by members.
- A 10% decrease in optional Life Insurance premiums for members who select this additional coverage.
- Extended Health rates are increased for teachers and LTO plan members by 4% and for education workers and LTA plan members by 0.9%. These are the fees charged by the carrier to the Trust and not to individual members.

These changes result in an overall premium increase paid to the carrier by the OSSTF ELHT of 2.1% for teachers and LTOs and 0.4% for education workers and LTA benefit plans. None of these changes affect members directly, but reflect the increased costs charged by the insurance carrier for the benefits provided by the plan.

Please see the official communication from OSSTF Benefits for full details.

Member Premium Contributions

Members have been paying part of their health and dental premiums since the plan began, with part-time employees paying a prorated share. This amount has not changed since 2016 when the benefit plans were established. Starting September 1, 2026, member contributions will increase and be based on 2025–2026 premium costs, and the new amount will be implemented with the September 10, 2026, pre-authorized bank withdrawal. Because the costs of the teacher and LTO and the education workers and LTA benefit plans are different, the member share premiums for each plan will be different.

For the majority of teachers and LTOs on a 1.0 full-time equivalent (FTE) assignment, monthly member share benefits premiums for health and dental coverage will be increased to \$16.70 for single and to \$41.76 for family coverage, inclusive of taxes. Premiums are pro-rated for less than 1.0 FTE members. For example, the monthly cost for an eligible plan member to buy into benefits on a full board-approved leave will be \$695.95.

For the majority of education workers and LTAs on a 1.0 FTE assignment, monthly member share benefits premiums for health and dental coverage will be increased to \$16.21 for single and to \$40.53 for family coverage, inclusive of taxes. Premiums are pro-rated for less than 1.0 FTE members. For example, the monthly cost for an eligible plan member to buy into benefits on a full board-approved leave will be \$675.49.

Please note that this increase will not apply to current Long-Term Disability (LTD) 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.

Please see the official communication from OSSTF Benefits for full details.

Plan Design Efficiencies

Additionally, plan design efficiencies have been introduced to lower costs.

The OSSTF ELHT is making several cost-saving changes to the benefits plan for 2026–2027:

- Biosimilar drugs will be covered instead of higher-cost biologic drugs when available, for both new and some existing users.
- For certain non-biologic specialty medications only, the preferred generic equivalent drug will be covered.
- More specialty drugs will be dispensed through MemberRx. Members affected by specialty drug changes will be notified in advance, and exceptions may be allowed where medical evidence shows the original drug is medically necessary.
- PPIs (acid-reducing drugs) will be reimbursed based on a reference price, capped at \$0.20 per unit plus standard markup, using generic pantoprazole as the benchmark.
- For members who are approved for Long-Term Disability commencing on or after September 1, 2026, Basic Life and AD&D coverage will continue automatically, without needing to apply for a waiver of premium.
- The plan will also introduce changes to coordination of benefits rules with secondary plans during the 2026–2027 benefit year, with notice provided before implementation.

Please see the official communication from OSSTF Benefits for full details.

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 members 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 in general, please submit your questions to comments@osstfbenefits.ca.

If you have any questions regarding this D/BU, please contact John Wells at Provincial Office by email at john.wells@osstf.ca

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