

December 9, 2020

**To: Benefit Administrators / Human Resource Personnel**

**From: Lorne Shiplack**  
**Benefit Services Manager, Employee Benefits**

**Re: UPDATE - Core Dental Plan Contribution Rate Decrease**

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Effective April 1, 2021, the contribution rate for the core dental plan will decrease from \$72.25 per full-time equivalent (FTE) to \$68.75 per FTE. The decrease to the core dental plan was approved by the Board of Trustees at the December 2, 2020 meeting.

The actual costs to operate the core dental plan decreased in 2020. Dental claim utilization was lower than expected for a number of months due to COVID-19 restrictions. This allowed the plan to fulfill benefit obligations to plan members through the year and to fully fund the plan's target reserve ahead of the March 31, 2022 target date.

Background:

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 core dental plan is funded by employer contributions based on a monthly rate multiplied by the number of FTEs.

The core dental rate is reviewed annually by the Employee Benefit Plans Committee and the Board of Trustees to ensure the rate is adequate to cover the actual costs of the plan. Any changes to the rate must be approved by the Board of Trustees.

Contributing factors to the core dental rate decrease include:

- Dental care costs, utilization and enrolment have decreased in 2020 due to COVID-19.

We will continue to monitor the core dental rate closely and will confirm the rate for 2022 in the fall of 2021. A rate increase will be implemented only if it is required.

If you have any questions about the core dental rate decrease effective April 1, 2021, please contact Lorne Shiplack at [Lorne.shiplack@3shealth.ca](mailto:Lorne.shiplack@3shealth.ca) or 306.347.5528.