



# Joint Health Science Benefits Trust

Actuarial Valuation as at December 31, 2024

May 6, 2025

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## Table of Contents

Executive Summary.....	2
Section 1 — Introduction.....	3
Section 2 — Financial Position .....	4
Section 3 — Contribution Sufficiency .....	7
Section 4 — Sensitivity Testing.....	10
Section 5 — Actuarial Opinion.....	11
Appendix A — Plan Provisions .....	12
Appendix B — Claimant and Claims Data.....	15
Appendix C — Assets .....	18
Appendix D — Actuarial Methods .....	20
Appendix E — Actuarial Assumptions.....	22
Appendix F — Detailed Results and Claims Movement.....	29
Appendix G — Data Certificate .....	32

## Executive Summary

### Financial Position

	December 31, 2023	December 31, 2024
	\$000,000s	\$000,000s
Assets	193.2	235.3
Liability	168.8	205.9
Surplus (Deficit)	<b>24.4</b>	<b>29.4</b>
Funded Ratio	<b>114.5%</b>	<b>114.3%</b>

### Contribution Sufficiency

The Trustees have been presented with a funding policy that sets out the funding requirements for the Trust. The funding policy defines two metrics to be used to assess the funding requirements of the Trust:

1. Funding Ratio ("FR") – this is calculated as the ratio of the actuarial value of assets to the actuarial value of liabilities both as at the valuation date.
2. Net Income Ratio ("NIR") – this is calculated as the ratio of the expected total value of contributions to be received in the year following the valuation date to the expected value of all claims payments, expenses and reserve adjustments expected over the same period.

The funding policy calls for the following actions based on the calculated FR and projected NIR:

Metric	Resulting Action
NIR < 90%. FR is not applicable.	Mandatory Benefit Reductions to increase NIR to a minimum of 95%
90% ≤ NIR < 100%. FR is not applicable.	Discretionary Benefit Reductions
100% < NIR ≤ 120%. FR is not applicable.	No action required.
120% < NIR ≤ 130% and FR > 110%	Discretionary Benefit Increases
NIR > 130% and FR > 110%	Mandatory Benefit increases to decrease NIR to a maximum of 125%

The FR as at December 31, 2024 is 114.3% and we have projected the NIR to be 96.4% for the 2025 calendar year. Anticipated contributions in 2025 are not sufficient to cover projected costs for 2025 placing the plan in the Discretionary Benefit Reductions state; however, these contributions plus existing assets are expected to fully fund outstanding obligations and benefits to be incurred in 2025, leaving the Trust in an acceptable projected financial position at the end of 2025.

## Section 1 – Introduction

### 1.1 Purpose of Actuarial Valuation

We have been retained by the Board of Trustees (the “Trustees”) of the Joint Health Science Benefits Trust (the “Trust”) to conduct an actuarial valuation of the Trust as at December 31, 2024.

This report was prepared for its intended users, the Trustees, for the following purposes:

- to provide a summary of the results of the actuarial valuation of the Trust’s financial position to the Trustees;
- to determine the sufficiency of 2025 contributions for the current level of benefits; and
- to review the financial experience of the Trust in the year ending December 31, 2024.

This report and any of its content may not be distributed, published, made available or relied upon by any person other than its intended users, without the express written permission of George & Bell Consulting Inc. (“George & Bell”), unless and only to the extent otherwise required by law.

The next actuarial valuation for the Trust will be performed as at December 31, 2025.

Note: Totals within this report may not sum due to rounding.

### 1.2 Purpose of Trust

The Trust was implemented effective on April 1, 2017 with negotiated funding from employers and some funding from employees. The Trustees are charged with using the assets to provide health and welfare benefits to members of the Health Science Professionals Bargaining Association (“HSPBA”).

## Section 2 – Financial Position

### 2.1 Financial Position

The following table describes the Trust's financial positions as at December 31, 2023 and December 31, 2024. The liabilities are based on the costs for claims incurred prior to the valuation date.

<b>Financial Positions</b>	<b>December 31, 2023</b>	<b>December 31, 2024</b>
	<b>\$000,000s</b>	<b>\$000,000s</b>
Assets	<b>193.2</b>	<b>235.3</b>
Liabilities		
Admitted LTD <sup>1</sup> claims (reported)	123.0	149.1
LTD (IBNR <sup>1</sup> )	21.1	24.3
Active EHC <sup>1</sup> (IBNR)	2.3	2.4
Active dental (IBNR)	1.0	1.2
Active group life and AD&D <sup>1</sup> (IBNR)	0.2	0.2
EHC for disabled claimants	15.5	22.1
Dental for disabled claimants	3.2	3.8
Group life and AD&D for disabled claimants	2.5	2.8
Total Liability	<b>168.8</b>	<b>205.9</b>
Surplus/(Deficit)	<b>24.4</b>	<b>29.4</b>
Funded Ratio	<b>114.5%</b>	<b>114.3%</b>

The financial position of the Trust has increased in the year ending December 31, 2024 by \$5.0 million.

<sup>1</sup> Long-Term Disability ("LTD"), Incurred But Not Reported ("IBNR"), Extended Health Care ("EHC"), and Accidental Death & Dismemberment ("AD&D").

## 2.2 Reconciliation of Financial Position

The following table reconciles the change in the financial position over the course of the inter-valuation period.

<b>Reconciliation of Financial Position</b>	<b>\$000,000s</b>
<b>Financial Position as at December 31, 2023</b>	<b>24.4</b>
1. Contributions different than expected cost	6.5
2. Interest on funded position/amortizations	1.7
3. Investment return different than expected	13.7
4. LTD - Existing Claims (Terminations)	1.6
5. LTD - Existing Claims (Demographics)	(1.1)
6. LTD - New Claims (New entrants / IBNR)	(6.1)
7. Active EHC/dental/group life/AD&D experience	(3.6)
8. Disabled EHC/dental/group life/AD&D experience	(2.4)
9. Gain / (Loss) due to Assumption Changes	(6.1)
10. Gain / (Loss) due CPP <sup>2</sup> updates	0.8
<b>Financial Position as at December 31, 2024</b>	<b>29.4</b>

<sup>2</sup> Canada Pension Plan.

## 2.3 Analysis of Assumption Changes

The preparation of an actuarial valuation requires the actuary to make assumptions about future economic and Trust experience. Changes in the assumptions result in gains or losses.

As noted in Section 2.2, the Trust had a \$6.1 million loss due to assumption changes from the previous valuation. The following table shows the main sources of these gains and losses.

<b>Assumption change gains (losses)</b>	<b>\$000,000s</b>
1. Active Group Life/AD&D IBNR	0.0
2. LTD IBNR	(0.4)
3. Active EHC IBNR	0.2
4. Active Dental IBNR	(0.1)
5. Disabled Non-Income Benefits IBNR	0.0
6. Wage Rate Indexing	0.0
7. CPI <sup>3</sup> Indexing	0.0
8. EHC Escalation	(3.6)
9. Dental Escalation	0.0
10. Expenses	(1.4)
11. Termination from Disability	(0.9)
12. CPP <sup>3</sup> Approval	0.0
13. Mortality	0.0
14. Discount Rate	0.0
<b>Total gains (losses)</b>	<b>(6.1)</b>

<sup>3</sup> Consumer Price Index ("CPI"), Canada Pension Plan ("CPP").

## Section 3 – Contribution Sufficiency

### 3.1 Funding Policy

The Trustees have been presented with a funding policy that sets out the funding requirements for the Trust. The funding policy defines two metrics to be used to assess the funding requirements of the Trust:

1. Funding Ratio (“FR”) – this is calculated as the ratio of the actuarial value of assets to the actuarial value of liabilities both as at the valuation date.
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The funding policy calls for the following actions based on the calculated FR and projected NIR:

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NIR < 90%. FR is not applicable.	Mandatory Benefit Reductions to increase NIR to a minimum of 95%
90% ≤ NIR < 100%. FR is not applicable.	Discretionary Benefit Reductions
100% < NIR ≤ 120%. FR is not applicable.	No action required.
120% < NIR ≤ 130% and FR > 110%	Discretionary Benefit Increases
NIR > 130% and FR > 110%	Mandatory Benefit increases to decrease NIR to a maximum of 125%

### 3.2 2025 Contributions

Employers contribute to the Trust using different contribution rates, to achieve aggregate negotiated employer contributions. In addition, employees contribute to the Trust. The anticipated contributions during 2025 are summarized in the table below:

	To March 31, 2025 \$000,000s	From April 1, 2025 \$000,000s	2025 Total \$000,000s
Anticipated Regular Employer Contributions	32.4	101.4	133.8
Anticipated Regular and Other Employee Contributions	3.8	12.0	15.8
Anticipated Total Contributions	<b>36.3</b>	<b>113.4</b>	<b>149.7</b>



### 3.3 2025 Cost of Benefits

The following table summarizes the anticipated cost of benefits by line of benefit during 2025:

	Active Benefit Payments and Expenses	Change in Active Reserve	Cost of Disabilities Incurred in 2025	2025 Cost of Benefits
	\$000,000s	\$000,000s	\$000,000s	\$000,000s
LTD	0.0	0.0	51.0	51.0
Active EHC	68.9	0.2	0.0	69.1
Active Dental	33.4	(0.0)	0.0	33.3
Active Group Life and AD&D	0.5	0.0	0.0	0.5
Operating Expenses	1.3	0.0	0.0	1.3
<b>Total</b>	<b>104.1</b>	<b>0.2</b>	<b>51.0</b>	<b>155.2</b>

### 3.4 NIR

The projected NIR is calculated as anticipated 2025 Contributions / anticipated 2025 Cost of Benefits.

	2025 Total \$000,000s
Anticipated Total Contributions	149.7
Cost of Benefits	155.2
<b>NIR for 2025</b>	<b>96.4%</b>

### 3.5 Financial Position

The December 31, 2024 financial position is as follows:

	<b>December 31, 2024</b>
	<b>\$000,000s</b>
Assets	235.3
Liability	205.9
Surplus (Deficit)	<b>29.4</b>
Funded Ratio	<b>114.3%</b>

### 3.6 NIR and Projected Financial Position

The FR as at December 31, 2024 is 114.3% and we have projected the NIR to be 96.4% for the 2025 calendar year. Anticipated contributions in 2025 are not sufficient to cover projected costs for 2025 placing the plan in the Discretionary Benefit Reductions state; however, these contributions plus existing assets are expected to fully fund outstanding obligations and benefits to be incurred in 2025, leaving the Trust in an acceptable projected financial position at the end of 2025.

## Section 4 – Sensitivity Testing

Sensitivity tests have been conducted on certain assumptions, as prescribed by actuarial standards of practice.

### 4.1 Discount Rate Sensitivity

As the assumed discount rate has a significant impact on the Trust's liabilities, actuarial standards of practice require that the impact on the liabilities of a 1% change in the assumed discount rate be disclosed.

The following table shows the effect of a 1.0% decrease and a 1.0% increase in the discount rate on the overall liability:

Discount Rate Change	Revised Liability (\$000,000s)	Original Liability (\$000,000s)	Change in Liability (\$000,000s)	% Change in Liability
+1.0%	194.9	205.9	(11.0)	-5.3%
-1.0%	218.4	205.9	12.5	6.1%

### 4.2 EHC and Dental Escalation Rate Sensitivity

The EHC and dental escalation rates used within the valuation are shown Appendix E.1.

The following table shows the effects of a 1.0% change in the EHC and dental escalation rates:

EHC Escalation Rate Change	Revised Liability (\$000,000s)	Original Liability (\$000,000s)	Change in Liability (\$000,000s)	% Change in Liability
+1.0%	207.7	205.9	1.8	0.9%
-1.0%	204.3	205.9	(1.6)	-0.8%

Dental Escalation Rate Change	Revised Liability (\$000,000s)	Original Liability (\$000,000s)	Change in Liability (\$000,000s)	% Change in Liability
+1.0%	206.2	205.9	0.3	0.1%
-1.0%	205.6	205.9	(0.3)	-0.1%

## Section 5 – Actuarial Opinion

This opinion is given with respect to the Trust. We conducted a valuation of the Trust as at December 31, 2024. The administrator has confirmed that, between December 31, 2024 and the date of this report, no subsequent events nor any extraordinary changes to the beneficiaries or plan provisions that would materially affect the results of this valuation have occurred, except as indicated in this report.

In our opinion, for the purposes of this report:

- The beneficiary data on which the valuation is based are sufficient and reliable for the purposes of the valuation;
- The assumptions are appropriate for the purposes of the valuation; and
- The methods employed in the valuation are appropriate for the purposes of the valuation.

We hereby certify that, in our opinion, as at December 31, 2024:

1. The Trust is fully funded. The assets exceed the liabilities by \$29.4 million. The funded ratio is 114.3%.
2. Anticipated contributions in 2025 are not sufficient to cover projected costs for 2025; however, these contributions plus existing assets are expected to fully fund outstanding obligations and benefits to be incurred in 2025, leaving the Trust in an acceptable projected financial position at the end of 2025.
3. The next valuation should be conducted no later than as at December 31, 2025.

The content herein has been prepared exclusively from a financial viewpoint. This report does not constitute a legal opinion on the rights and duties of the administrator, the Trustees or the beneficiaries concerning the Trust.

Actuarial valuation results are estimates only and are based on assumptions and methods developed in accordance with actuarial standards of practice. Emerging experience differing from the assumptions used will result in gains or losses which will be revealed in future valuations, and which may affect future actuarial opinions.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

We would be pleased to discuss any questions the user may have regarding the valuation.



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Michael Greschner  
Fellow, Canadian Institute of Actuaries  
May 6, 2025



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Kristina Leanne Percy  
Fellow, Canadian Institute of Actuaries  
May 6, 2025

## Appendix A – Plan Provisions

### A.1 Plan Provisions

The primary benefits provided by the Trust are Group Life Insurance, AD&D, LTD, Dental and EHC. The following summary was provided to us by the Healthcare Benefit Trust (“HBT”) and capture the major standard plan provisions in effect as at December 31, 2024.

Provisions	JHSBT Plan Provisions
<b>Group Life</b>	
Benefit Amount	\$50,000
Advance Payment	50% to a maximum of \$25,000
Reduction at age 65	None
Termination Age	None
<b>AD&amp;D</b>	
Benefit Amount	\$50,000
Reduction at age 65	None
Termination Age	None
<b>LTD</b>	
Benefit Amount	70% of the first \$7,944* (as at Apr 1/24) of basic monthly earnings and 50% of the excess or 66-2/3% of basic monthly earnings, whichever is greater (*adjusted annually for new claims based on increases in the weighted average wage rate)
Maximum Benefit	None
Indexing	Adjustments every 4 years based on compounded annual increases in weighted average wage rate for most recent 4 years
Qualification Period	5 months
Own Occupation Period	24 months
Own Occupation Definition	The employee's inability to perform the duties of his/her own occupation or any available position that is not less than 75% of pre-disability earnings.
Any Occupation Maximum	70% of current rate of pay
Pre-Existing Condition Clause	No
Early Retirement Incentive Benefit	Provided, with 50/50 cost sharing of EHC & Dental
Termination Age	65

Provisions	JHSBT Plan Provisions
<b>Dental</b>	
Basic	100%
Basic - Recall Exams	2 per calendar year
Major	60%
Orthodontics	60%
Orthodontics Lifetime Maximum	\$2,750
PBC <sup>4</sup> Fee Schedule	No. 2
Termination Age	None
<b>EHC</b>	
Deductible	\$100.00
Reimbursement	80% up to \$1,000 claims paid per family per calendar year; 100% thereafter (except Drugs & Vision Care)
Lifetime Maximum	Unlimited
Drug Formulary	PharmaCare drugs, Prometrium and drugs that have received Special Authority reimbursed at 100%; Non-PharmaCare drugs reimbursed at 50%
Drug Pricing Restrictions	Low Cost Alternative and Reference Drug Pricing as established by BC PharmaCare
Mark-Up Limit	As established by BC PharmaCare
Dispensing Fee Cap	As established by BC PharmaCare
Pay-Direct Drug Card	Yes
Acupuncture	\$100 per person per year
Chiropractor	\$200 per person per year
Massage Therapy	Unlimited
Naturopath	\$200 per person per year
Physiotherapy	Unlimited
Podiatrist	\$400 per person per year
Registered Clinical Psychologist & Clinical Counselor	\$900 per person per year combined maximum
Speech Therapist	\$100 per person per year
Vision Care	\$350 per person every 24 months
Eye Exams	Not covered
Hearing Aids	\$600 per person every 48 months

<sup>4</sup> Pacific Blue Cross.

Provisions	JHSBT Plan Provisions
Termination Age	None

## Appendix B – Claimant and Claims Data

### B.1 Source of Data

In performing the calculations for this valuation, we obtained data from the Trust and its service providers.

LTD claimant data was provided to the Healthcare Benefit Trust by Canada Life. We received this information from the Healthcare Benefit Trust.

For benefits aside from LTD, the actuarial valuation does not require individual claim data to perform the valuation. Reserves held are based on the aggregate payments in recent periods or are held constant. Aggregate claims and contribution data are collected from the Healthcare Benefit Trust. The data is provided to the Healthcare Benefit Trust from Pacific Blue Cross (EHC and dental) and Canada Life (group life and AD&D).

In performing this valuation, we use asset data and financial statements provided to us by the Healthcare Benefit Trust. The calculation of the asset position of the Trust within this report is detailed in Appendix C.

We have reviewed the data to ensure its sufficiency and reliability and confirm that the provided data was sufficient and reliable for the purpose of this valuation.

### B.2 Summary of LTD Claims Data

The following tables summarize the composition of LTD claimants at December 31, 2024:

Duration of Disability	Age at Disability					Total
	Under Age 30	30 – 39	40 – 49	50 – 59	Age 60 and Over	
< 1 year	6	24	23	38	6	97
1 to 2 years	6	33	38	47	5	129
2 to 3 years	6	24	38	28	3	99
3 to 5 years	5	26	31	57	2	121
5 to 10 years	2	24	31	50	0	107
> 10 years	0	0	0	0	0	0
<b>Total</b>	<b>25</b>	<b>131</b>	<b>161</b>	<b>220</b>	<b>16</b>	<b>553</b>



The following table summarizes the total net monthly LTD income after assumed CPP approval of disabled employees as at December 31, 2024:

Duration of Disability	Age at Disability					Total
	Under Age 30	30 – 39	40 – 49	50 – 59	Age 60 and Over	
	\$	\$	\$	\$	\$	\$
< 1 year	23,000	111,000	94,000	164,000	28,000	420,000
1 to 2 years	19,000	132,000	153,000	193,000	17,000	515,000
2 to 3 years	15,000	78,000	115,000	90,000	12,000	309,000
3 to 5 years	16,000	84,000	107,000	181,000	6,000	393,000
5 to 10 years	6,000	95,000	100,000	170,000	0	372,000
> 10 years	0	0	0	0	0	0
<b>Total</b>	<b>80,000</b>	<b>500,000</b>	<b>570,000</b>	<b>798,000</b>	<b>62,000</b>	<b>2,009,000</b>

### B.3 Changes in LTD Claimant Data

The following table shows the changes in the LTD claimants since December 31, 2023:

<b>Reconciliation of LTD Claimant Data</b>	<b>Number of Claimants</b>
As at December 31, 2023	<b>511</b>
New entrants	265
Claim terminations	(223)
As at December 31, 2024	<b>553</b>

## Appendix C – Assets

### C.1 Asset Information

The asset position is calculated from the Trust's financial statements as provided by the Healthcare Benefit Trust.

The table below shows the development of these assets from December 31, 2023 to December 31, 2024:

<b>Calculation of Asset Position<sup>5</sup></b>	<b>\$000,000s</b>
<b>Assets as at December 31, 2023</b>	<b>193.2</b>
Employer contributions	126.4
Employee contributions	14.9
Investment return (net of investment expenses)	25.6
Benefit payments	
- LTD	(26.3)
- EHC	(62.1)
- Dental	(30.8)
- Group Life/AD&D	(0.9)
Non-investment expenses	(4.6)
<b>Assets as at December 31, 2024</b>	<b>235.3</b>

<sup>5</sup> Accrued to December 31, 2024.

## C.2 Asset Mix

Invested assets are held and invested by the Healthcare Investment Unit Trust (“HIUT”). The following table shows the actual and long-term policy asset mixes as at December 31, 2024 of the Trust:

<b>Asset Class</b>	<b>December 31, 2024 Mix</b>	<b>Target Mix</b>
<b>Fixed Income</b>		
Cash and Money Market	5.6%	2.0%
Nominal Bonds	14.0%	5.0%
Credit	13.9%	15.0%
Real Estate Debt	0.0%	5.0%
Subtotal	<b>33.4%</b>	<b>27.0%</b>
<b>Equity</b>		
Canadian	7.0%	5.0%
Global	30.7%	15.0%
Emerging Markets	8.3%	8.0%
Private Equity	0.0%	12.0%
Subtotal	<b>46.0%</b>	<b>40.0%</b>
<b>Alternatives</b>		
Infrastructure	8.7%	17.0%
Real Estate	11.9%	16.0%
Subtotal	<b>20.6%</b>	<b>33.0%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## C.3 Asset Valuation

The asset position is taken as the market value of assets as at December 31, 2024. Reliance is placed on the provided Financial Statements for the appropriate valuation of the assets.

## Appendix D – Actuarial Methods

### D.1 Actuarial Cost Method

The liabilities at the valuation date were calculated as the expected present value of future benefits for claims incurred up to the valuation date, where future payments incorporate future indexing. This actuarial method may be referred to as a “unit credit” cost method, although a unit credit method generally implies some accumulation in liabilities rather than event-driven liabilities.

### D.2 Asset Valuation Method

The market value of the assets has been used as the assets.

### D.3 Provision for Adverse Deviation (“PfAD”)

The Trust’s liabilities have been calculated on a best estimate basis.

### D.4 Liability Valuation Methodology

The following outlines the methodology used for calculating the liability for each line of benefit. Future costs are discounted to the present assuming cash flows occur at the middle of each month. The liabilities for reported disabled claimants are calculated on an individual basis, whereas the liabilities related to incurred but not reported claims are determined on an aggregate basis.

#### Admitted LTD claims (Reported)

The liability for admitted (reported) LTD claims is equal to the actuarial present value of projected future benefit payments for LTD claimants as at December 31, 2024. The actuarial present value is calculated by applying the probability of receipt of disability (i.e., probability of the claim not terminating) to the projected benefit claim costs at future ages for each LTD claimant, and further discounted by the interest rate assumption to the calculation date.

#### LTD (IBNR)

The liability for incurred but not reported LTD claims is calculated by taking the product of the LTD IBNR assumption shown in Appendix E, the current cost of LTD, and the Straight-Time Payroll (“STP”) for each of the prior four quarters.

### Active EHC and dental (IBNR)

The liability for incurred but not reported EHC and dental claims is calculated by taking the product of the EHC and dental IBNR assumptions shown in Appendix E and the total EHC and dental claims and expenses incurred in the most recent four quarters ending December 31, 2024.

### Active group life and AD&D (IBNR)

The liability for incurred but not reported group life and AD&D claims is assumed to be \$150,000.

### EHC and dental for disabled claimants

The liabilities for EHC and dental costs for disabled claimants is calculated as the product of the average annuity factor for each line of benefit across all LTD claimants, the count of disabled claimants at the valuation date and the estimated annual difference between benefit claims and expected employee contributions<sup>6</sup> for the average disabled claimant. The annuity factors incorporate the future benefit cost escalation assumptions listed in Appendix E.

The EHC and dental IBNRs for disabled claimants are equal to the ratio of the LTD (IBNR) to the admitted LTD claims liability, multiplied by the liabilities for EHC and dental costs for disabled claimants.

### Group life and AD&D for disabled claimants

The liability for group life and AD&D is calculated as the present value of a payment at the life volume using the mortality assumption.

The group life and AD&D IBNR for disabled claimants is equal to the ratio of the LTD (IBNR) to the admitted LTD claims liability, multiplied by the liabilities for group life and AD&D costs for disabled claimants.

<sup>6</sup> Actual employee contributions are adjusted to account for future increases based on actual claims experience since the last date employee contributions were adjusted.

## Appendix E – Actuarial Assumptions

### E.1 Liability Assumptions

The valuation is based on the assumption that the Trust will continue to pay for benefits indefinitely into the future related to disabilities already incurred at the valuation date. At each valuation, past experience is compared to the assumptions made at the last valuation to determine if, together with known changes to plan provisions, investment policy, and expectations of future trends, the assumptions should be changed.

Emerging experience differing from these assumptions will result in experience gains and losses that will be revealed in future valuations.

The table below summarizes the assumptions used in the calculation of the Trust's December 31, 2024 actuarial liabilities:

Assumptions	December 31, 2023	December 31, 2024
<i>Economic</i>		
Discount rate	5.90% per year	5.90% per year
Retroactive CPP	Where CPP is assumed, retroactive CPP to a maximum of 18 months is assumed	Where CPP is assumed, retroactive CPP to a maximum of 18 months is assumed
Potential CPP benefits	Potential CPP benefits are calculated based on the following information (as set by the Canada Pension Plan): 2024 flat CPP monthly amount: \$583.32 2024 maximum CPP monthly amount: \$1,613.54.	Potential CPP benefits are calculated based on the following information (as set by the CPP): 2025 flat CPP monthly amount: \$598.49 2025 maximum CPP monthly amount: \$1,683.57.
Benefit indexing (indexing to wage increases)	Annual wage increases of 2.25% are assumed for all agreements, except where negotiated wage increases are known. Where negotiated wage increases are known, these apply.	Annual wage increases of 2.25% are assumed for all agreements, except where negotiated wage increases are known. Where negotiated wage increases are known, these apply.
Benefit indexing (indexing to CPI)	2.0% per year	2.0% per year
Benefit indexing (red-circling)	Benefits are never reduced below their original disability benefit	Benefits are never reduced below their original disability benefit
Future expenses as a percentage of claims payments	LTD	6%
	EHC	3%
	Dental	3%
	Group Life/AD&D	4%
	LTD	7%
	EHC	3%
	Dental	3%
	Group Life/AD&D	4%

Assumptions	December 31, 2023	December 31, 2024
EHC escalation	EHC costs for disabled employees are assumed to increase according to the G&B High Trend Rate Table. An ultimate escalation rate of 3.5% per year applies in and after 2037.	EHC costs for disabled employees are assumed to increase according to the updated G&B High Trend Rate Table with additional factors for unlimited massage and physiotherapy. An ultimate escalation rate of 4.0% per year, inclusive of the additional factors, applies in and after 2037. Table of annual escalation rates is provided later in this report.
Dental escalation	Dental costs for disabled employees are assumed to increase by 6.0% per annum in 2023 with an annual reduction of 0.5% until it reaches an ultimate rate of 3.5% in 2028.	Dental costs for disabled employees are assumed to increase by 6.0% per annum in 2023 with an annual reduction of 0.5% until it reaches an ultimate rate of 3.5% in 2028.
<i>Demographic</i>		
Termination from disability	Assumed based on adjustments for the Trust's experience applied to the aggregate female non-Quebec termination table published in of the CIA Report entitled "Group Long-Term Disability Termination experience 2009-2015." Tables of adjustments are provided later in this report.	Assumed based on adjustments for the Trust's experience applied to the aggregate female non-Quebec termination table published in of the CIA Report entitled "Group Long-Term Disability Termination experience 2009-2015." Tables of adjustments are provided later in this report.
Mortality	Assumed to be in accordance with the mortality tables for males and females in the CIA report entitled "Canadian Group Life Waiver Study (2009–2015) - Tables".	Assumed to be in accordance with the mortality tables for males and females in the CIA report entitled "Canadian Group Life Waiver Study (2009–2015) - Tables".
CPP approval	Rates are based on age and duration since disability. Where CPP is approved, retroactive CPP to a maximum of 18 months is assumed. Table of approval rates is provided later in this report.	Rates are based on age and duration since disability. Where CPP is approved, retroactive CPP to a maximum of 18 months is assumed. Table of approval rates is provided later in this report.
<i>Incurred but not reported</i>		
Group life/AD&D	\$150,000	\$150,000
LTD	Proportion of cost remaining at quarter end:	Proportion of cost remaining at quarter end:
	10.3% For claims incurred three quarters prior	12.1% For claims incurred three quarters prior
	27.1% For claims incurred two quarters prior	27.6% For claims incurred two quarters prior
	87.9% For claims incurred one quarter prior	88.7% For claims incurred one quarter prior
	100.0% Latest quarter	100.0% Latest quarter



Active EHC	As a percentage of claims paid to date with an incurral date from the prior four quarters, plus expenses:		As a percentage of claims paid to date with an incurral date from the prior four quarters, plus expenses:	
	0.4%	Three quarters prior to latest quarter	0.3%	Three quarters prior to latest quarter
	0.9%	Two quarters prior to latest quarter	0.8%	Two quarters prior to latest quarter
	2.3%	Quarter prior to latest quarter	2.1%	Quarter prior to latest quarter
	13.7%	Latest quarter	12.8%	Latest quarter
Active dental	As a percentage of claims paid to date with an incurral date from the prior four quarters, plus expenses		As a percentage of claims paid to date with an incurral date from the prior four quarters, plus expenses	
	0.1%	Three quarters prior to latest quarter	0.1%	Three quarters prior to latest quarter
	0.4%	Two quarters prior to latest quarter	0.3%	Two quarters prior to latest quarter
	1.0%	Quarter prior to latest quarter	1.0%	Quarter prior to latest quarter
	12.8%	Latest quarter	13.5%	Latest quarter
Disabled non-income benefits (EHC, dental, and group life/AD&D)	Ratio of LTD IBNR liability to reported LTD liability applied to the corresponding liability for reported active LTD claims.		Ratio of LTD IBNR liability to reported LTD liability applied to the corresponding liability for reported active LTD claims.	

## EHC Escalation

The following table provides the EHC escalation rates:

Year:	
2024	11.5%
2025	10.3%
2026	9.8%
2027	9.3%
2028	8.7%
2029	8.2%
2030	7.6%
2031	7.1%
2032	6.6%
2033	6.0%
2034	5.5%
2035	5.0%
2036	4.4%
In and after 2037	4.0%

EHC costs for disabled employees are assumed to increase according to the updated G&B High Trend Rate Table with additional factors for unlimited massage and physiotherapy. An ultimate escalation rate of 4.0% per year, inclusive of the additional factors, applies in and after 2037. Table of annual escalation rates is provided later in this report.

### Termination from disability

The following table presents the assumed adjustments made to the 2009-2015 CIA Disability Termination Experience for females (non-Quebec) table:

Duration (months)	December 31, 2023	December 31, 2024
Less than 24	85%	80%
24-30	250%	250%
31-60	135%	140%
Greater than 60	125%	120%

### CPP approval

The following table presents the assumption for the probability of eventual CPP qualification for claims that are not in receipt of a CPP offset:

Duration (months)	December 31, 2023	December 31, 2024
Less than 24	40%	40%
24-36	55%	55%
37-60	55%	55%
Greater than 60	10%	10%

## E.2 Projection Assumptions

In projecting the March 31, 2026 financial position, we have assumed the following:

Assumption		Source
EHC IBNR as a percentage of claims paid to date for incurred claims from:		
Three quarters prior to latest quarter	0.3%	2024 Assumptions Review
Two quarters prior to latest quarter	0.8%	
Quarter prior to latest quarter	2.1%	
Latest quarter	12.8%	
Dental IBNR as a percentage of claims paid to date for incurred claims from:		
Three quarters prior to latest quarter	0.1%	2024 Assumptions Review
Two quarters prior to latest quarter	0.3%	
Quarter prior to latest quarter	1.0%	
Latest quarter	13.5%	
Projected Claims Adjudication Expenses as a percentage of claims paid		
EHC	2.42%	HBT
Dental	1.75%	HBT
Life/AD&D	3.12%	HBT
LTD	5.76%	HBT
Projected Operating Expenses		
January 1, 2025 to December 31, 2025	\$1,316,000	HBT
Investment Return		
From January 1, 2025	5.9%	George & Bell
Other		
LTD Service Cost – from April 1, 2024	2.78% of STP	JHSBT April 1, 2024 Self-Pay Rates
LTD Service Cost – from April 1, 2025	2.99% of STP	JHSBT April 1, 2025 Self-Pay Rates
Group Life/AD&D IBNR	\$150,000	2024 Assumptions Review
Discount Rate	5.9%	2024 Assumptions Review
EHC Trend Rate	See EHC Escalation table in Appendix E.1	2024 Assumptions Review
Dental Trend Rate	5.0% <sup>7</sup>	2024 Assumptions Review
Operating Expense Trend Rate	1.5% per annum	George and Bell

<sup>7</sup> Dental trend costs for disabled employees are assumed to increase by 5.0% per annum in 2025 with an annual reduction of 0.5% until it reaches an ultimate rate of 3.5% in 2028.

### Straight-time Payroll Projection

STP is projected based on the following:

- Estimates provided by Health Authorities from April 1, 2024 to March 31, 2025 and April 1, 2025 to March 31, 2026;
- Reported STP from July 1, 2024 to December 31, 2024 for Affiliates (including estimates for non-reported employers); and
- Assumed annual wage rate increases thereafter.

### Contributions Projection

Employer and employee contributions are estimated based on the negotiated/estimated rates and the projected STP.

### Claims/Liability Projection

LTD claims payments are projected on a monthly basis based on:

- (A) A listing was developed of open claims as at December 31, 2020 with a Date of Disability (“DOD”) in the prior ten years. The monthly claims payments from January 1, 2011 for these claims were estimated based on the net benefit from the Date of Benefit Start to December 31, 2020. These monthly claims payments were then assumed to approximate claims payments from April 1, 2017, adjusted for actual claims payments made;
- (B) The net benefit between January 1, 2011 and December 31, 2020 for terminated claims with a DOD in the ten years prior to December 31, 2020. The same methodology in (A) was applied to these claims, assuming claims payments from the Date of Benefit Start to the Termination Date;
- (C) The assumed Non-Operating Expense LTD Cost Factor is applied to (A) and (B) to cover costs allocated to LTD which are not paid directly to claimants, such as rehabilitation program and early intervention program costs.

The LTD liability is projected to be:

- (A) LTD liability at valuation date;
- (B) Plus: projected STP from the last valuation date to the projection date x the assumed LTD service cost;
- (C) Less: projected claims payments from the last valuation date;
- (D) Less: the estimated LTD portion of claims adjudication and operating expenses; and
- (E) Plus: estimated interest.

EHC and Dental active claims have been projected based on active claims incurred in the prior twelve months and paid to date, adjusted for the assumed trend rate.

EHC and Dental disabled claims are projected based on the average disabled claims in the prior three months and increasing monthly at the same rate as the projected LTD claims.

The EHC and Dental active IBNR liabilities are projected to be equal to the projected active claims and allocated expenses x the IBNR assumption.

Group Life and AD&D claims are projected based on actual claims paid in the past three years. The Group Life and AD&D active IBNR liability is assumed to be \$150,000.

### Expense Projection

Estimated operating expenses have been provided by HBT to March 31, 2025. For April 1, 2025 onwards, operating expenses were projected based on the estimated operating expenses for the prior three months, adjusted for assumed trend rate.

### Asset Projection

The asset is projected to be:

- (A) Current asset;
- (B) Plus: projected contributions;
- (C) Less: projected claims payments;
- (D) Less: projected claims adjudication expenses;
- (E) Less: projected operating expenses; and
- (F) Plus: estimated investment income.

## Appendix F — Detailed Results and Claims Movement

### F.1 LTD Liability Results

The table below shows the results of the LTD Income (Reported) liability by duration of disability and age at disability.

Duration of Disability	Age at Disability					Total
	Under Age 30	30 – 39	40 – 49	50 – 59	Age 60 and Over	
	\$	\$	\$	\$	\$	\$
< 1 year	1,035,000	5,605,000	4,684,000	6,854,000	568,000	18,746,000
1 to 2 years	1,214,000	8,514,000	9,565,000	8,642,000	411,000	28,347,000
2 to 3 years	1,546,000	7,743,000	10,732,000	5,235,000	142,000	25,399,000
3 to 5 years	2,595,000	12,981,000	13,283,000	11,395,000	59,000	40,313,000
5 to 10 years	1,203,000	15,593,000	12,769,000	6,762,000	0	36,327,000
> 10 years	0	0	0	0	0	0
<b>Total</b>	<b>7,594,000</b>	<b>50,437,000</b>	<b>51,032,000</b>	<b>38,889,000</b>	<b>1,180,000</b>	<b>149,131,000</b>

## F.2 LTD Claims Movement

The table below shows the movement of active LTD claims by major employer group within the Trust.

Employer	Claims as at Dec 31, 2023	Termination Reasons							New Entrants	Claims as at Dec 31, 2024
		Age 65	Death	Return to Work	ERIB <sup>8</sup>	Change of Definition	Retired / Resigned	Other		
Fraser	76	(1)	(1)	(22)	0	(7)	(2)	(1)	48	90
Coastal	110	(4)	(4)	(30)	(1)	(9)	(1)	(1)	45	105
Island	107	(1)	(3)	(22)	(1)	(9)	(2)	(5)	51	115
Interior	76	(2)	(2)	(17)	0	(10)	(2)	(1)	45	87
Northern	23	(1)	(1)	(10)	0	(1)	0	0	14	24
Provincial	56	(1)	(1)	(16)	(1)	(4)	(1)	(1)	32	63
Providence	25	0	0	(7)	0	(3)	(1)	0	15	29
Affiliates	38	(1)	0	(7)	0	(5)	0	0	15	40
<b>Total</b>	<b>511</b>	<b>(11)</b>	<b>(12)</b>	<b>(131)</b>	<b>(3)</b>	<b>(48)</b>	<b>(9)</b>	<b>(9)</b>	<b>265</b>	<b>553</b>

<sup>8</sup> Early Retirement Incentive Benefit.

### F.3 LTD Cost by Date of Disability and Reported Claim

The table below shows the development of LTD costs (including non-income related benefits) by date of disability and date of reported claim. Reserves are calculated using latest assumptions, including:

- LTD Reported reserve; and
- Estimated LTD Unreported reserve.

DOD	Present Value of Claims Payments as at December 31, 2024 (by Date of Reported Claim)					LTD Reserve <sup>9,10</sup>	Total	Straight-time Payroll		Total Cost as % of STP	
	2020	2021	2022	2023	2024			Actual	PV	Unadjusted	Adjusted <sup>11</sup>
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s		
2020	1,407	7,073	5,233	2,959	2,050	14,830	33,552	1,064,668	1,377,925	2.43%	2.89%
2021	0	1,378	8,392	6,262	3,625	22,782	42,439	1,216,642	1,486,870	2.85%	3.38%
2022	0	0	1,558	8,175	6,030	23,651	39,415	1,247,141	1,439,238	2.74%	3.25%
2023	0	0	0	1,454	7,885	26,423	35,762	1,499,544	1,634,128	2.19%	2.59%
2024	0	0	0	0	1,966	41,830	43,797	1,638,394	1,686,034	2.60%	3.08%
<b>Total</b>	<b>1,407</b>	<b>8,451</b>	<b>15,183</b>	<b>18,850</b>	<b>21,557</b>	<b>129,516</b>	<b>194,964</b>	<b>6,666,388</b>	<b>7,624,195</b>	<b>2.56%</b>	<b>3.03%</b>

<sup>9</sup> As at December 31, 2024.

<sup>10</sup> Includes estimated LTD IBNR.

<sup>11</sup> Adjusted for assumed cost of non-income related benefits for disabled employees, rehabilitation costs, and expenses.



## Appendix G – Data Certificate

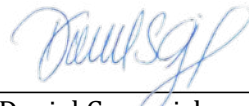
With respect to the information used within this report, we hereby confirm that to the best of our knowledge and belief:

- LTD claimant data provided to the actuaries and summarized in Appendix B and Appendix F are a complete and accurate description of all individuals meeting the definition of disability under the Trust;
- The financial data provided to the actuaries and summarized in Appendix B are a complete and accurate representation of the contributions, claims and expenses by benefit line;
- The plan provisions summarized in Appendix A are an accurate description of the plan provisions in effect at the valuation date; and
- There have been no events subsequent to the valuation date, up to the report date, that would materially change the December 31, 2024 valuation results or the Trust's financial position or cost.



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Elisabeth Whiting  
President & Chief Executive Officer  
Date:



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Daniel Gumprich  
Chief Financial Officer  
Date: