



**TOWNSHIP OF EDWARDSBURGH CARDINAL
ACTION ITEM**

Committee: Committee of the Whole – Administration and Operations

Date: January 13, 2025

Department: Administration

Topic: 2025 Employee Group Benefit Marketing Results

Purpose: To evaluate current benefits and market to other providers to ensure competitive pricing

Background: Once every four years, W.A. Pakeman and Associates, the broker of record for the Township, performs a marketing analysis for the group benefits for the Township and Port of Johnstown to ensure the rates are competitive in the marketplace.

Our current benefit provider is Sun Life. Originally the increase for 2025 from Sun Life was **16%** or an increase of **\$6,217.71 per month (\$74,613.52 annually)** but came back with a revised increase of **1% or \$282.91 per month (\$3,394.92 annually)**. This increase was primarily due to usage of benefits increasing and prescription costs increasing. There are no issues with delivery of services, however it is assumed that we will see the 15% that was clawed back from the original increase reinstated at some future point.

Canada Life was the only other bidder for services. They have offered a **-6.48%** reduction in costs which works out to **\$2,482.89 per month savings (\$29,794.68 annually)**. In prior years, the savings were negated in the following year renewal with large increases in the annual premium. Canada Life has also guaranteed to a cap on increases of 10% for the next two years. This provides cost certainty to the Township through the rest of the council term. The average increase for the next three years would amount to **4.5%** per year increase. Sun Life offered no cap on future renewal fees.

Both quotes include medical and dental benefits for council should they wish to participate.

Policy Implications: As per Personnel Policy 2015-22, the Township and Port of Johnstown is to provide benefits to all full-time employees.

Strategic Plan Implications: Under the pillar of Good Governance, Objective 2.4 is to Develop a Succession Plan and develop our people. By offering a competitive benefit program the Township and Port can recruit and retain staff.

Financial Considerations: All items over \$75,000 must be approved by council.

Recommendation: That Committee recommend that Council direct staff to instruct W.A. Pakeman and Associates to switch benefit providers from Sun Life to Canada Life effective in 2025 and authorize the Mayor and CAO to sign the agreement.



CAO