



# So we have a joint benefits trust. Now what?

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**I received HSA's recent clarification on payroll changes and the reference to members' long-term disability contributions now being directed to the new Joint Health Sciences Benefit Trust (JHSBT). Since the JHSBT is now receiving benefit contributions, I'm wondering what members might expect now.**

The new JHSBT did come into effect on April 1, 2017; precisely one year later than initially projected. There were numerous reasons for the delay - the slow pace of bargaining at other tables, a lack of transparency and disclosure etc. - but the final push from December on resulted in the parties agreeing to terms for the JHSBT. The agreement came without the assistance of a mediator, which is preferable when negotiating trust agreements given the long-term nature of these arrangements. This allowed the joint JHSBT board of trustees to commence their new governance role in late March in preparation for the revised April 2017 start date.

While the negotiation process took longer than expected, the extended time frame did provide for a more thorough and meticulous approach to negotiating the all-important terms for the JHSBT going forward. After the ink is dry, changes to the trust agreement require consent of plan sponsors (Health Sciences Professionals Bargaining Association and Health Employers Association of BC); hence all the effort on the front end. What this means for members is that we've created a sufficiently robust funding model with important benefit plan features like risk-sharing and surplus accumulation. This approach allows for the JHSBT to acquire and accumulate surpluses previously not permitted under Canadian Revenue Agency rules, and get better tax treatment on investment income. In effect, we were able to create the best health and welfare trust arrangement allowable under current rules.

Modelled under recent benefit plan changes in the auto industry in Ontario, we believe that the JHSBT is the first of its kind in BC. So, after two years of hard work and due diligence we are happy to report that we have great confidence for the JHSBT going forward, and for the security and peace of mind that those important benefits deliver for members every day. As for changes, trustees will spend the foreseeable future working on policy development, reviewing service contracts, and other bricks and mortar priorities for the JHSBT. Only when trustees get an opportunity to turn their minds to reviewing the current benefit program will any changes be contemplated. And as we are now under a joint administration framework for the JHSBT, changes will be by consensus going forward.

### **So for now, can we expect the status quo to continue?**

Yes. Trustees have a lot of work ahead of them in the coming year. There is much to consider. The benefit industry is undergoing rapid change as new technologies challenge the traditional business model of benefit administration. As reported in past columns, we are very interested in finding efficiencies and using any savings for the benefit of members. As an example of this rapid change, it was recently reported that a claimant made a vision care claim via cell phone. The claim was checked for compliance, run through 21 fraud scenarios, approved for payment, and deposited in the claimant's bank account - in just over three seconds! This is the kind of efficiency we will be interested in for the operational side of the JHSBT, and the kind of speed and convenience we would like to see for members. Please stay tuned.

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