



Life • Health • Pension

A whole bunch  
of bad things  
are going to  
happen to you  
if you don't take  
care of your  
employees!



# BENEFITS OR BUST

# Terry E. Taylor

## General Manager

- History and structure
- Statistics
- TRIO's Plans
- Why benefits & why TRIO



# who is TRIO?

- ❑ Incorporated in 1978 as *Newfoundland & Labrador Municipal Employee Benefits, Inc.*
- ❑ Known as **NLMEB**
- ❑ Re-launched in 2008 as **trio**



# why “TRIO”?

- ❑ The recurring number “3”
- ❑ There are **three** inter-related organizations
  - NLMEB, MNL, PMA
- ❑ There are **three** client groups
  - Municipal employees, elected officials, and municipally-related organizations
- ❑ There are **three** product offerings
  - Life, health and pensions
- ❑ TRIO evokes the number “3”



# who is TRIO?

- We serve only the municipalities and affiliated municipal organizations of Newfoundland & Labrador
- All Board members are also plan participants of either or both of the group benefits or pension program
- We want the plans to prosper and grow



# TRIO's Board of Directors

- ❑ There are six members of the Board
- ❑ Three (3) come from Municipalities  
Newfoundland and Labrador (MNL) (two (2) elected and one (1) appointed)
- ❑ Three (3) come from the Professional Municipal Administrators (PMA) (two (2) elected and one (1) appointed)

# TRIO's Board of Directors

- ***PMA Representatives***

- ***Gerard Lewis***, CAO, Mount Pearl, – President (elected)
- ***Dennis Kelly***, Town Clerk/Manager, Marystown, (elected)
- ***Rodney Cumby***, CAO, Paradise, (appointed)

# TRIO's Board of Directors

- ***MNL Representatives***

- ***Jim Farrell***, Councilor, Wabush, - Vice-President (elected)
- ***John Dawson***, Councilor, Kippens, (elected)
- ***Keith Keating***, Deputy Mayor, Marystown, (appointed)

# TRIO's consultants

- ❑ **Johnson Insurance Inc.** – administers the Group Health Care programmes
- ❑ **Mercer (Canada) Limited** – administers the Group Pension programme
- ❑ Both are well-known within the province's financial and municipal communities



# Trio's clients

- Currently, more than 100 NL municipalities and municipally-related organizations rely on TRIO programs for their employees' health care plan, or their pension plan, or both!



# Where does your town fit?

- There are about 280 municipalities in the province
- Only 40% (115) of NL towns offer health care benefits to town employees – app. 80 are TRIO clients
- Only 20% (55) of NL towns offer pension or retirement benefits to town employees – app. 40 are TRIO clients

*(CCRC study, 2009)*



# TRIO's health care plans

- ❑ *Comprehensive Plan or the Small Town Plan.*
  - ❑ life insurance
  - ❑ accidental death & dismemberment insurance
  - ❑ extended health coverage
  - ❑ optional dental coverage
- ❑ Comprehensive Plan includes Short and Long Term Disability and an Employee Assistance Program

# Trio's small town plan

COVERAGE	BENEFIT
Life Insurance	\$35,000
Accidental Death and Dismemberment	\$35,000
Extended Health Care	Prescription drugs, hospital accommodation, vision care, paramedical practitioners, etc
Optional Dental	Basic coverage: examinations, cleaning, fillings, extractions, root canal therapy, etc

Monthly Premiums: - shared between the Town and the Employee/Councillor; includes dental coverage:

Single - \$100.00 (app)

Couple - \$190.00 (app)

Family - \$275.00 (app)



# TRIO's health care plans

- Special ultra competitive rating plan for towns with more than 19 employees



# TRIO's pension plans

- ❑ The Pension Plans offer both *defined benefit* and *defined contribution* options
- ❑ *Defined Benefit* guarantees a annual retirement income based on your salary and years of invested service
- ❑ *Defined Contribution* offers no guarantee, but over time can grow into a substantial amount

# Pensions 101

- Pension Credit – 2% of salary per invested & employed year
- Salary – Career Average or Best 5
- Retirement Age – 60 yrs, 65 yrs or “80 points”
- 80 points – years employed + age
- Indexation – 0%, 2% or 6% max

# Pension Example

- Hired at 30 yrs
- Work 35 yrs; invested in Plan 35 yrs
- Career Average - \$40,000
- Retire at age 65
- Annual retirement income – (70% x \$40,000)
- \$28,000 guaranteed for 10 years and life

# Pension Return on Investment

- Annual Contribution Rate – 6.75%
- Annual Contribution - \$2700
- Lifetime Contribution - \$94,500
- Guaranteed Pension - \$ 280,000

# Trio's defined benefit plan

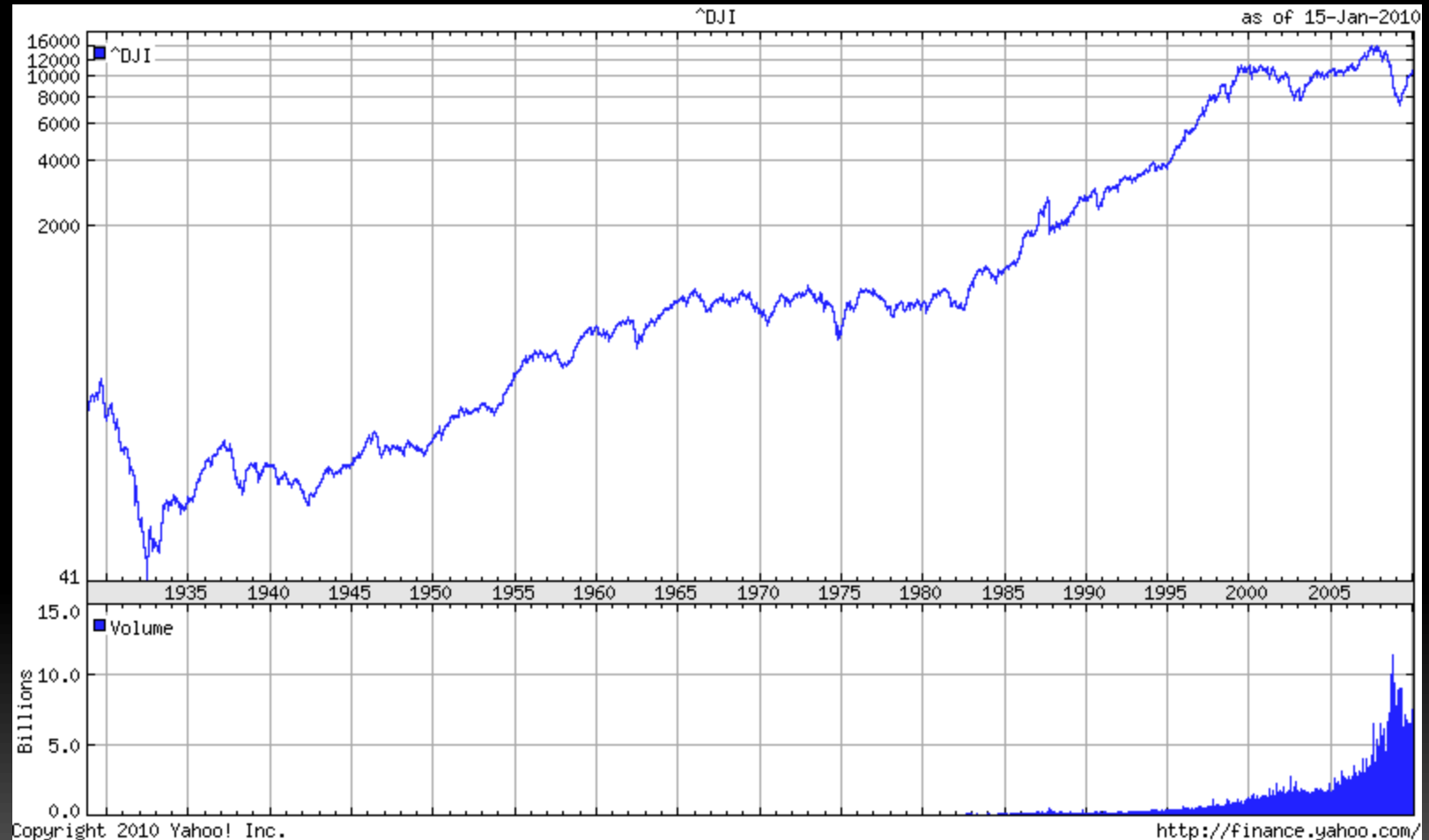
- ❑ Contribution rates range from 5.75% to 8.75% of salary
- ❑ Richer the benefit, more the cost
- ❑ Employer and Employee contribute equally

# TRIO's defined contribution plan

- ❑ Both the employer and the employee contribute 3% of your salary each month
- ❑ Contributions are invested and managed by investment professionals



# Dow Jones – 1930-2010



# TRIO's volunteer firefighters' protection plan

- ❑ A special insurance program for your town's first responders – 24/7 coverage; non-medical acceptance
- ❑ \$50,000 life insurance
- ❑ \$25,000 critical illness insurance
  - Heart attack, stroke, cancer, coma, blindness, Alzheimer's, Parkinson's, etc (19 maladies/illnesses)
- ❑ Rates depend on average age of volunteers



# TRIO's volunteer firefighters' protection plan

- Based on underwriting assumptions, first offered at \$45.82 per volunteer per month
- Assumptions incorrect – average age lower than presumed
- Rates now start at \$13.78 (up to avg. age 34 yrs)

# why have benefits?

- Everyone needs life insurance
- Everyone wants protection if they are either accidentally killed or injured
- Everyone will have hospital and medical bills that MCP won't pay for

# Why have benefits?

- Everyone takes or will take prescription drugs
- Everyone needs regular dental care
- “Everyone” includes councillors, employees and their family members

# Why have benefits?

- Everyone wants to enjoy a financially secure retirement

**It's never too late to  
start**

# Why have benefits?

Town A

Offers benefits

Town B

Offers no benefits

?

Prospective Municipal Employee

# Why TRIO for your town?

## Health Care

- Johnson's in-house claims service
- Our health care rating plan is new
- This year's TRIO's rates are likely better than your present rates



# Why TRIO for your town?

## Pension Plan

- ❑ Eliminate fees by pension investment managers, consultants, administrators (AIR, valuations, annual provincial registration fee)
- ❑ TRIO invests in 12 segregated funds representing growth, value and core investment philosophies
- ❑ 2009 ROI = +/- 26%



We can tailor our plans to fit  
any municipal budget.

We welcome the opportunity to  
familiarize you with our products

You will be surprised at how  
affordable our plans are

# Need more information?

- Visit our booth
- Call the TRIO office – 1-888-330-7338
- Email [info@triobenefits.ca](mailto:info@triobenefits.ca)
- Visit [www.triobenefits.ca](http://www.triobenefits.ca)



Thank You

Questions?



[www.triobenefits.ca](http://www.triobenefits.ca)