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## **Report on the 2019 Survey: ELCIC Group Benefits Plan Redesign**

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ELCIC Group Services Inc. ("GSI"), in its role as Benefits Plan sponsor for the ELCIC Group Benefits Plan ("Benefits Plan") regularly monitors each of its components. As part of this process, the Board of Directors ("the Board") regularly receives and reviews statistical reports detailing how members are using the Benefits Plan, as well as financial information in terms of how the Benefits Plan is running. Adjustments are regularly made to the Benefits Plan contract and design, based on this process.

### **Background**

Approximately every five years, the Board undertakes a detailed look at the Benefits Plan, which might include comparison to the external market, a more in-depth review of utilization information, and consideration of how the Benefits Plan fits into ELCIC's organizational and compensation philosophies.

The journey into examining the health and dental components of the Benefits Plan began in early 2015, with an educational presentation on the pharmacy landscape. This presentation provided the Board with insight into this rapidly changing and growing industry, which accounts for the majority of claims paid by the Benefits Plan. The Board then looked more closely at ELCIC's claims trends and the related premium rate increases over the past decade.

Based on this research, and with the assistance of benefits consultants, the Board began to explore options to update the Benefits Plan's health and dental components, in order to incorporate features that could provide greater flexibility, while also addressing fiscal responsibility. Ensuring that the Benefits Plan will be sustainable into the future was identified as an important guiding principle to this process.

To this end, the Board put forward its ideas for updating the Benefits Plan in October 2018. Some Benefits Plan members and congregations provided feedback to these suggestions, and because members indicated that they consider the Benefits plan to be a key component of their compensation, the Board felt that it was important provide a greater opportunity for feedback. To achieve this, GSI sent out a survey and held a series of consultations.

### **Survey**

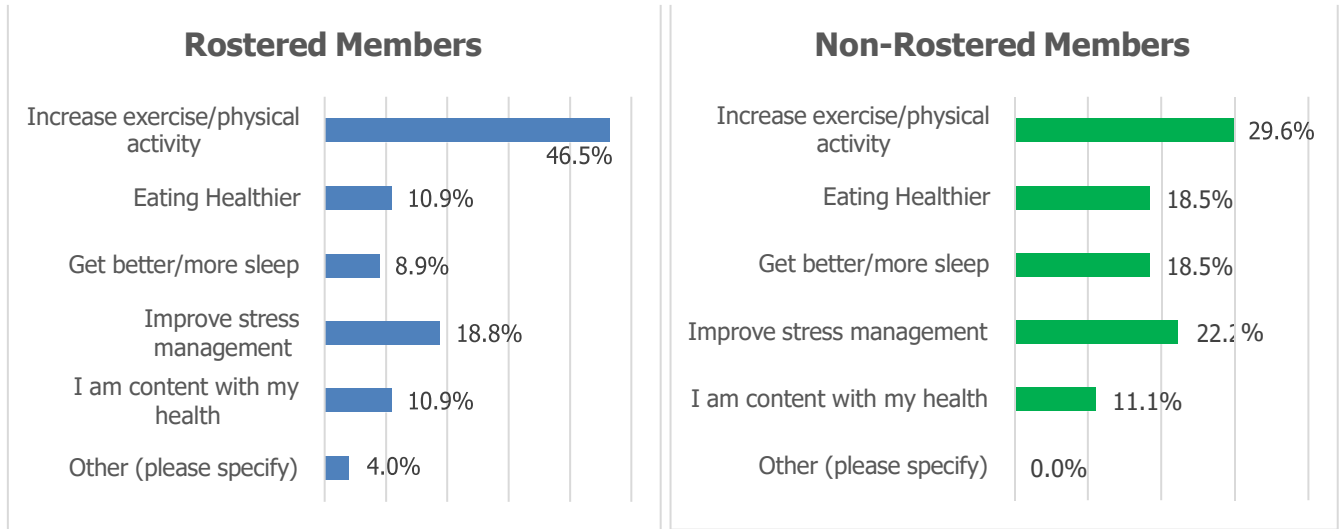
On December 16, 2019, Benefits Plan members (299 Rostered and 121 Non-Rostered) were sent a survey with benefits-related questions, as well as a brief section to collect basic demographic information. In the end, 34% of Rostered and 22% of Non-Rostered Benefits Plan members completed the survey.

At the same time, 347 employers subscribing to the Benefits Plan were sent a survey with benefits-related questions and a brief demographic section. 28% of employers completed the survey.

We sincerely thank all survey participants for their time and thoughtful comments. In the next section, we are pleased to provide an overview of what we heard from Benefits Plan Members and employers.

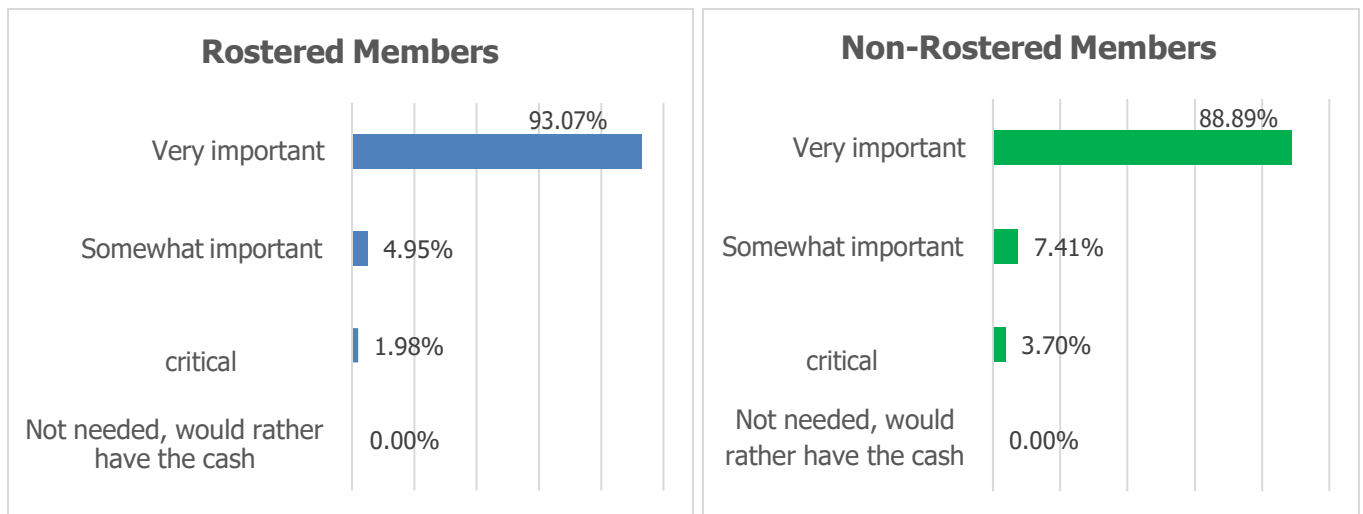
## What Benefits Plan Members Told Us

### Question 1: Which of the following is your top health related priority at this time?



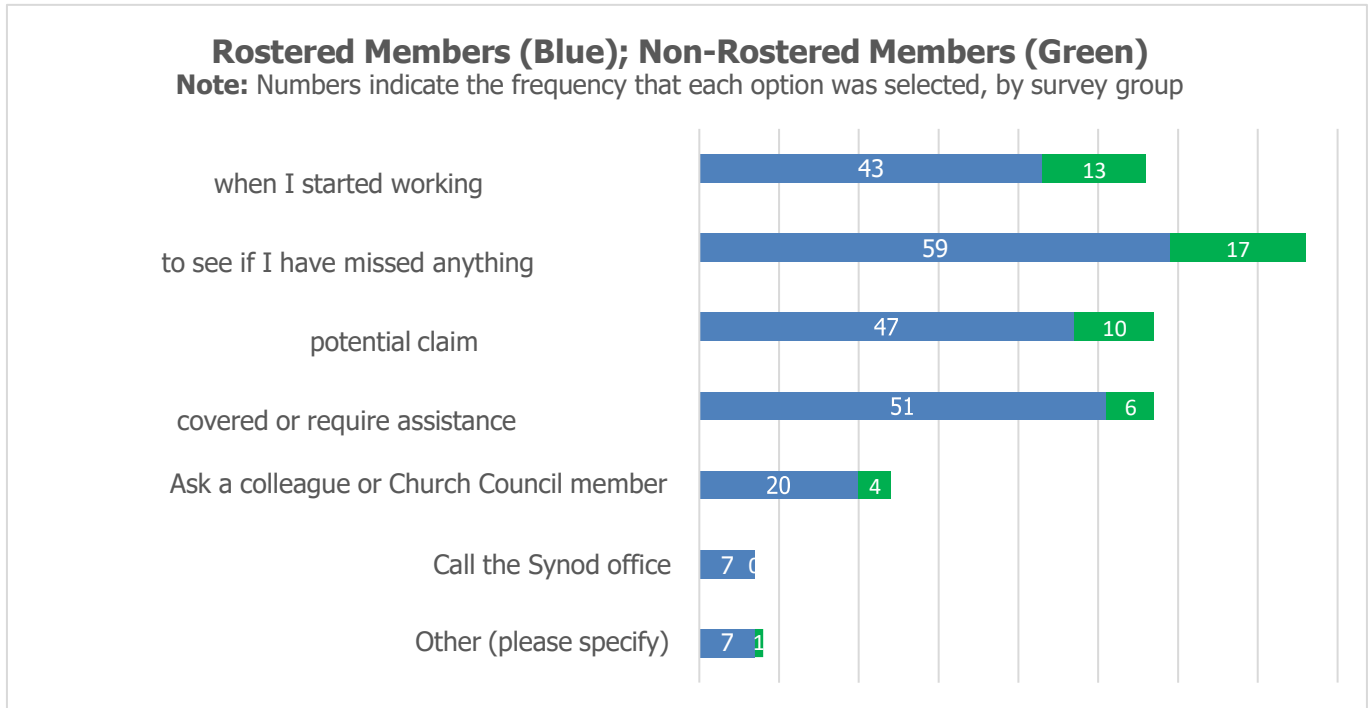
- Almost 90% of survey respondents indicated that they have aspects of their health that they would like to improve. The most commonly cited health related priority, by far, is to increase exercise/physical activity (47%), followed by improvement of stress management (19%), and eating healthier (11%).
- Responses to the Other category include: getting travel insurance for someone over age 65, mobility issues, recuperating from surgery/illness, and nurturing spiritual health/life.
- With only 11% of respondents indicating that they are fully content with their current health, areas for improvement and a greater focus on wellness represent an opportunity for GSI to connect with members and provide the resources to support their health priorities.
- Findings were consistent between Rostered and Non-Rostered members.

### Question 2: How important is the ELCIC Group Benefits Plan, as a part of your overall compensation package?



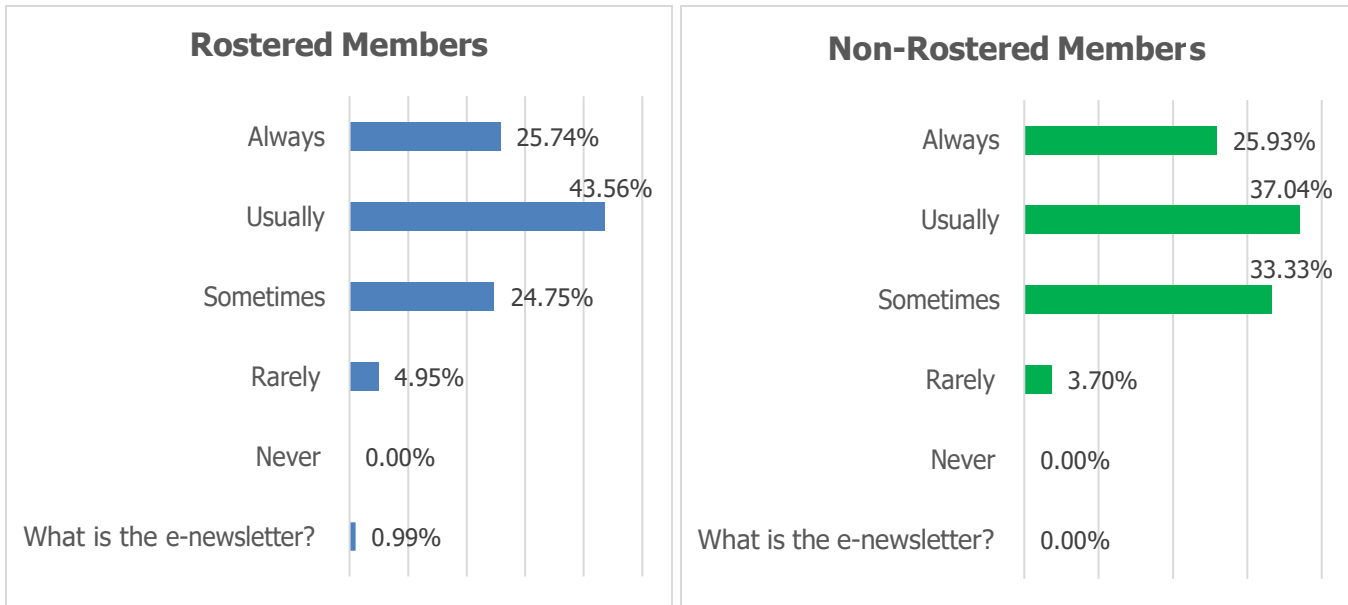
- With 93% of respondents indicating that the Benefits Plan is a very important part of their overall compensation package, 5% viewing it as somewhat important, and 3% viewing it as critical, it is clear that this represents an area of almost unanimous interest.
- Findings were consistent, between Rostered and Non-Rostered members.
- From an organizational perspective, ELCIC can take comfort in knowing that its Benefits Plan is of high importance to survey participants.

**Question 3: How have you informed yourself about the benefits that are available to you under the ELCIC Group Benefits Plan? (please check all that apply)**



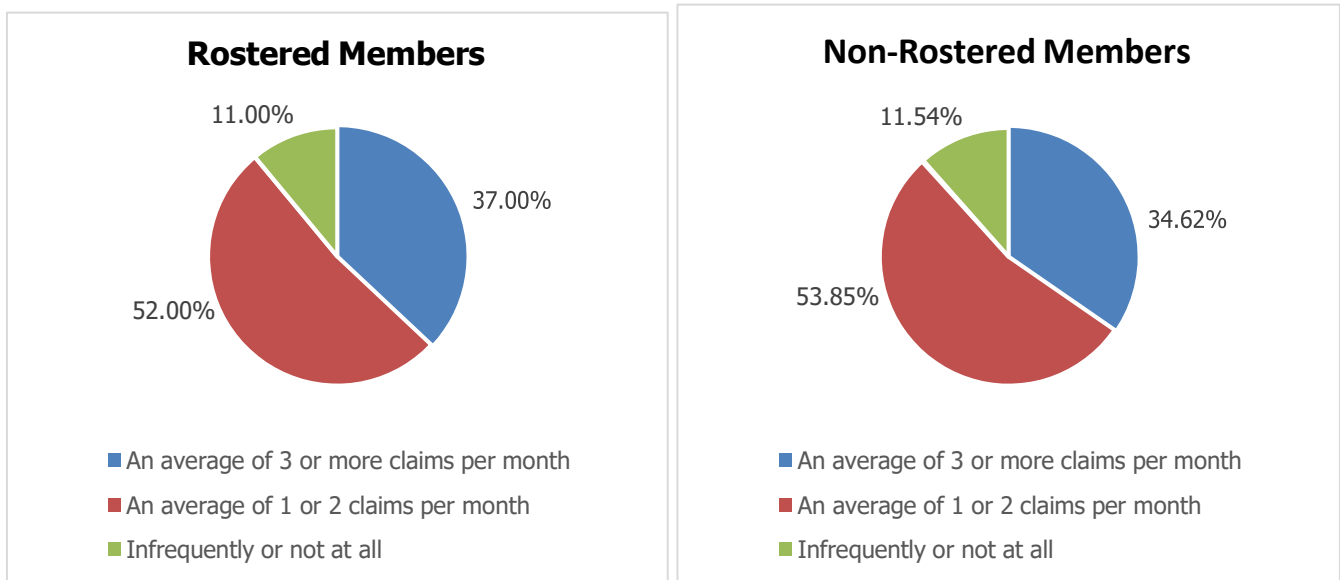
- In the case of Rostered members, four of the response options have a selection rate of over 40%, suggesting that respondents make an effort to educate themselves about the Benefits Plan. Specifically, the most frequently selected options include: read through all of the information from time-to-time, to see if I have missed anything (58%), call the GSI office when I need to know if something is covered or require assistance (51%), and only look something up when I have a claim or potential claim (47%).
- Non-rostered members also ranked “read through all of the information from time-to-time, to see if I have missed anything” as its highest option (63%), with the second highest being “read through all of the information on the GSI website when I started working” (48%).
- Other responses include: contact Manulife directly when it is an unusual claim; congregational finance committee; read GSI newsletter; read through quite a bit of the information...likely not all!; what I hear at National Church Council; read through all of the information on GSI and when they put out updated information.
- Overall, it is good to see that Benefits Plan members who responded to the survey are comfortable seeking information through various resources.

**Question 4: Do you read the GSI e-newsletter as a source of information about the ELCIC Group Benefits Plan?**



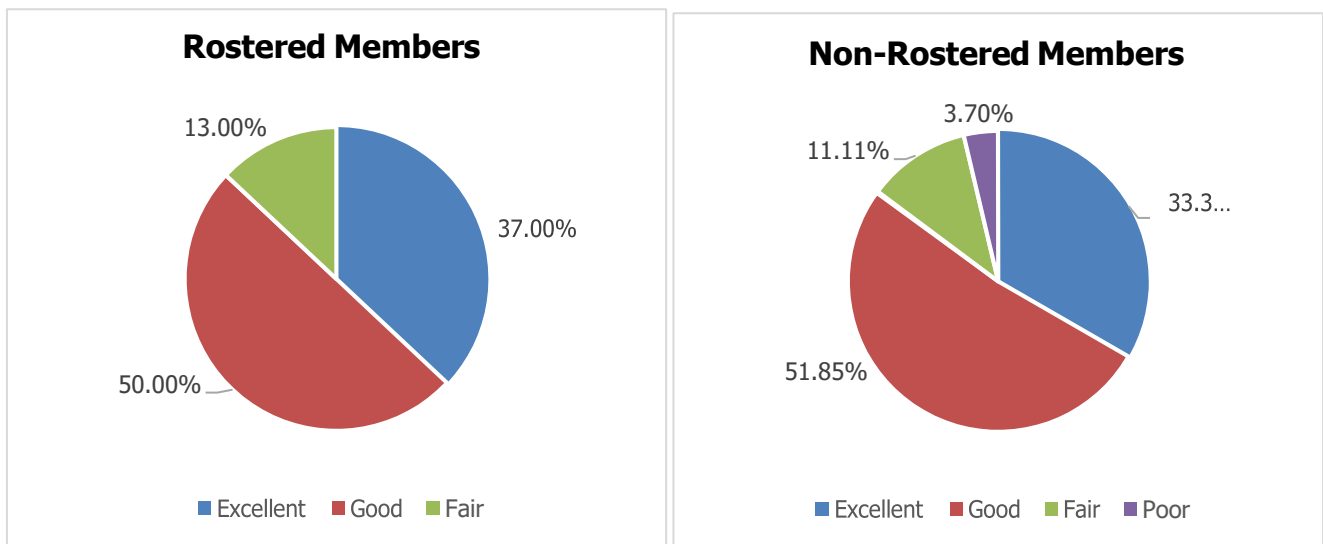
- GSI’s monthly e-newsletter is the primary method of providing general information to Benefits Plan members, with specific, personal information being conveyed by direct e-mail or post. Almost 70% of Rostered survey respondents indicated that they always or usually read the GSI e-newsletter as a source of information regarding the Benefits Plan. This suggests a high level of interest regarding the Benefits Plan, but it could be that those who are most likely to respond to a survey are also the most likely to read newsletters.
- Non-Rostered respondents indicated a slightly lower incidence of reading the e-newsletter, with 63% always or usually doing so.

**Question 5: How frequently do you (and your family) make use of the ELCIC Group Benefits Plan?**



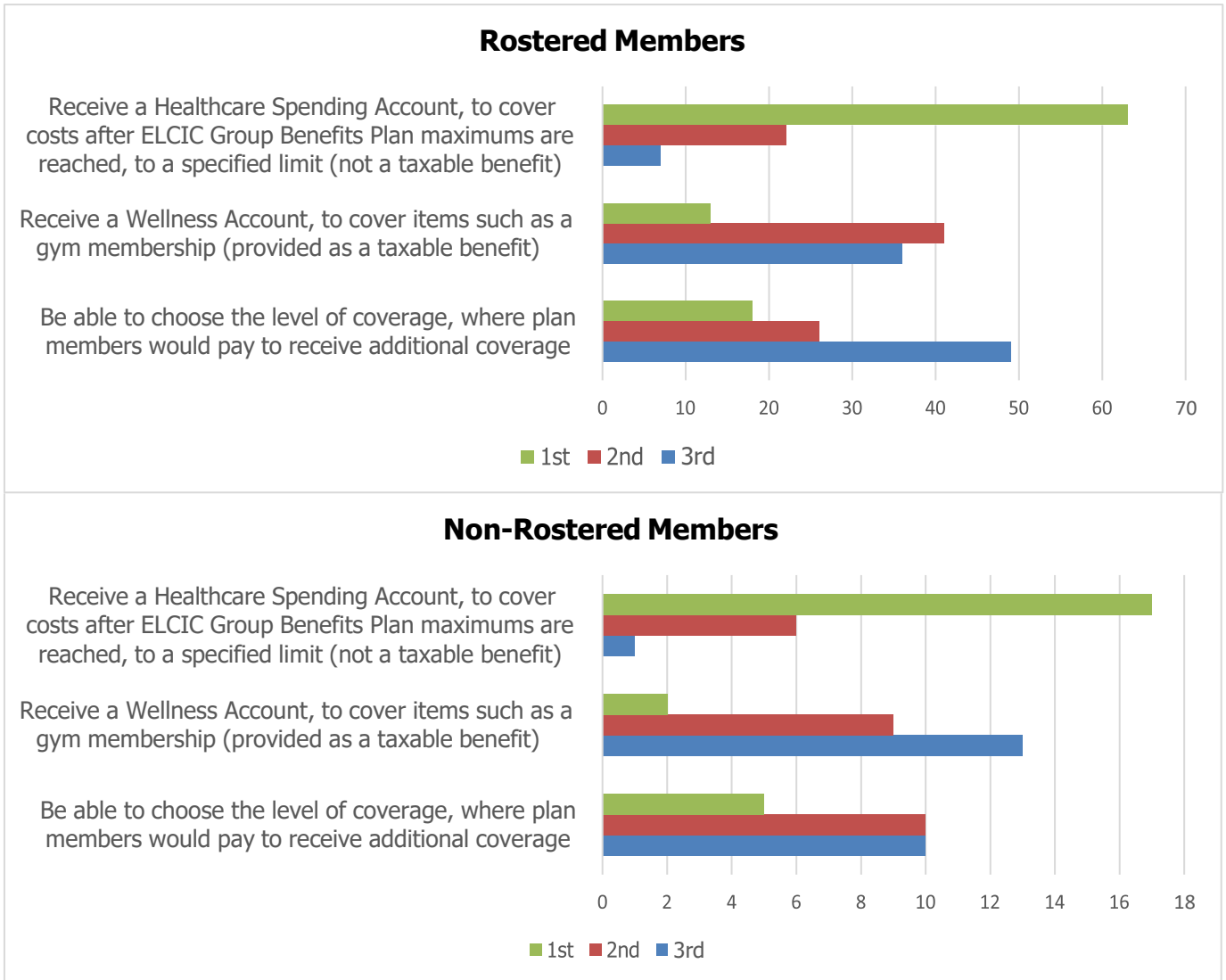
- Almost 90% of respondents indicated that they use the Benefits Plan on a monthly basis, with 37% making an average of three or more claims per month, while 52% make an average of one or two claims per month. Findings were consistent between Rostered and Non-Rostered members.
- This level of engagement provides insight into the responses to previous questions, in terms of viewing the Benefits Plan as a very important compensation component, as well as taking steps to be informed about Benefits Plan coverage and related details. It also indicates that there are many members who use the plan extensively.
- It is also of note that 11% of members who claim that they do not use the Benefits Plan, still took the time to respond to the survey. This speaks, again, to the importance of the Benefits Plan, and that members anticipate that, at some point, they may need to rely on this benefit. More than a third of responders make 3 or more claims a month.

**Question 6: Based on your personal experience, how would you rate the service from Manulife Financial, as the provider of the health and dental benefits?**



- Almost 90% of Rostered respondents indicated a favourable service rating for the Benefits Plan’s provider, with 37% rating as excellent and 50% as good. Non-Rostered respondents indicated a slightly lower degree of satisfaction, with 85% viewing the service level as excellent or good (33% and 52% respectively).
- It is notable that no Rostered members and only one Non-Rostered member consider Manulife’s service level to be poor. This is a good indicator that changing carriers should not be part of the current initiative. Some of the comments that were provided were more critical, but it is reasonable to assume that these are isolated incidents, given the survey ratings. GSI has addressed these concerns with Manulife directly.
- Given that Benefits Plan administration tends to include a significant amount of detail and “paperwork”, this rating should be viewed as very positive. It is also important to remember that this rating has been provided by a respondent group that utilizes the Benefits Plan very frequently, with almost 90% indicating average use at a few times per month.

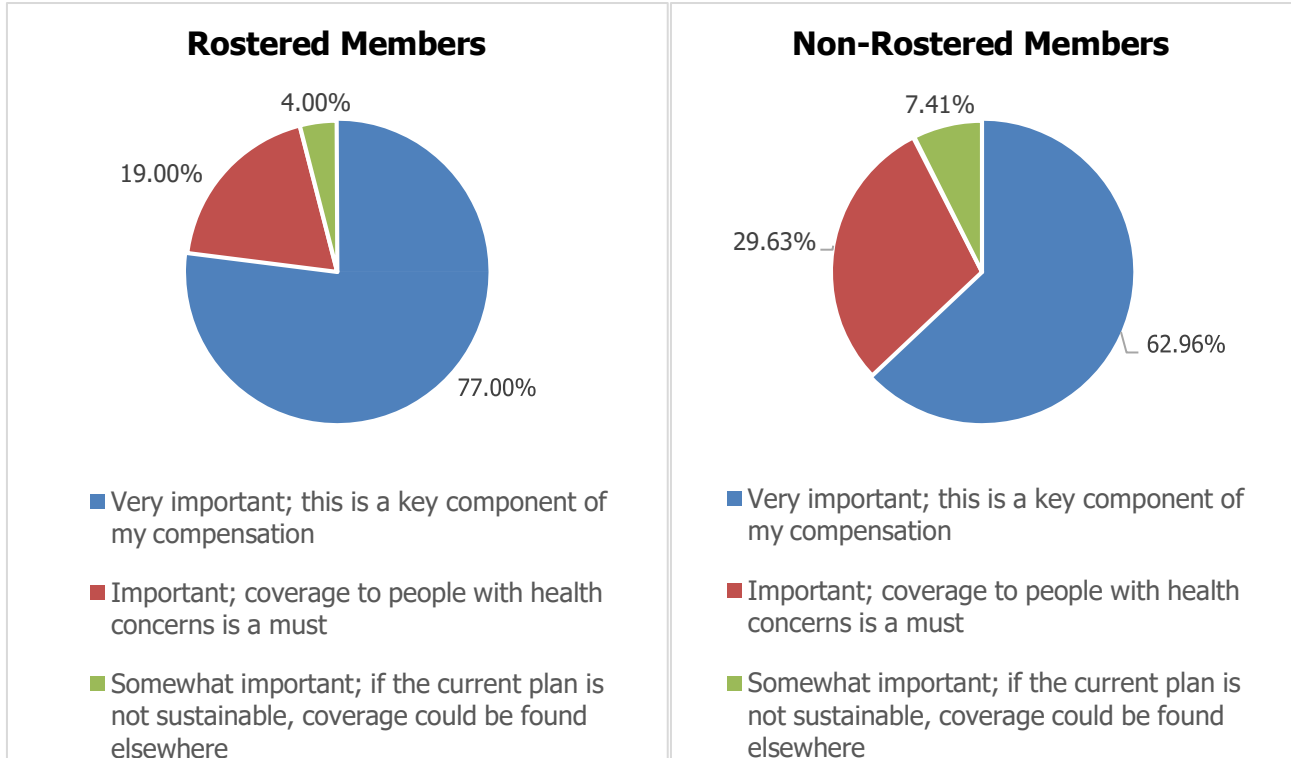
**Question 7: GSI is reviewing the flexibility of the design. Please rank the following, based on the level of importance to you.**



- Rostered respondents ranked the three available options in the following order, with the first alternative being the preference of almost 70% and the other two being fairly equal in ranking:
  - 1) Receive a Health Care Spending Account, to cover costs after ELCIC Group Benefits Plan maximums are reached, to a specified limit (not a taxable benefit)
  - 2) Receive a Wellness Account, to cover items such as a gym membership (provided as a taxable benefit)
  - 3) Be able to choose the level of coverage, where Benefits Plan members would pay to receive additional coverage
- This suggests that respondents value the ability to have some flexibility to allocate additional funds to the current Benefits Plan components by way of a Health Care Spending Account; this strategy can be used to “top up” coverage in areas that are utilized most frequently. It is also of note that this option would typically have the lowest cost impact on Benefits Plan members, in that it would not be a taxable benefit or require an initial cash outlay from the employee.

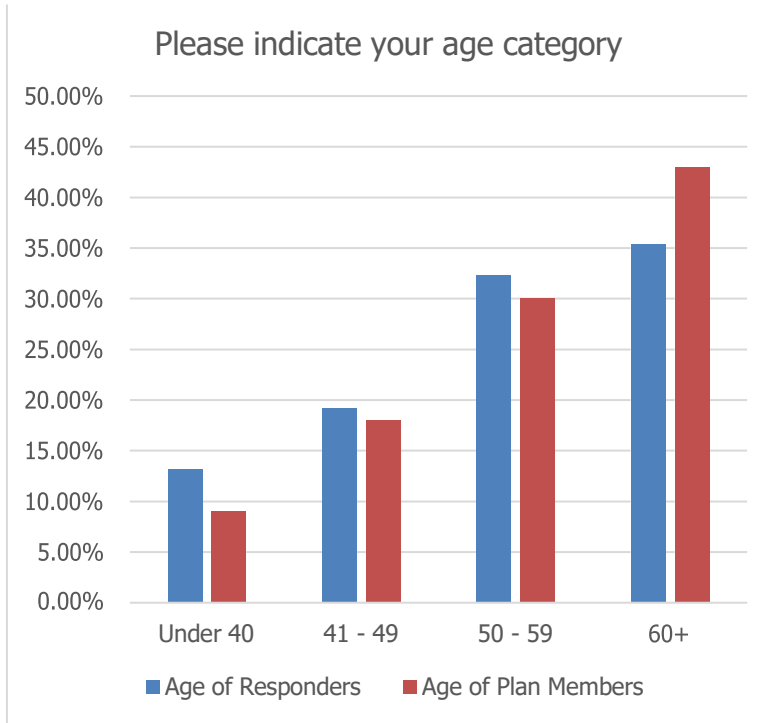
- In the case of Non-Rostered respondents, the Health Care Spending Account option was also ranked first, at 71%, followed by being able to choose the level of coverage, and the Wellness Account options. Again, the ranking between the two lesser preferred options was relatively close.
- In the event that there is an interest in providing employees with a Health Care Spending Account, it would be helpful to better understand whether employees value the flexibility, the limited financial impact, or both, as attributes that are associated with this option. It would also be worthwhile to ensure that employees fully understand the technical aspects of a Health Care Spending Account, to avoid any misconceptions in terms of how it works.

**Question 8: How important is it to you that the ELCIC Group Benefits Plan be sustainable into the future?**



- 96% of Rostered respondents view the future sustainability of the Benefits Plan as important; 77% consider this to be very important. 93% of Non-Rostered respondents view sustainability as very important or important (63% and 30% respectively). This finding could reasonably be tied to respondents viewing the Benefits Plan as an important compensation component, as well as something that is used on a regular, if not frequent, basis.
- GSI realized, through conversations and various feedback, that there is not a clear understanding of what is meant by the reference to 'sustainable' and the concern that sustainability might be at risk. GSI has determined that sustainability, in the ELCIC's context, means managing costs to keep the Benefits Plan affordable for the congregations that are currently paying 100% of the premium. Based on industry trends and developments, GSI recognizes that premium rates could rise to a level where congregations might have to forgo having a paid pastor, due to the associated costs of offering a Benefits Plan. This concern is an area that is of importance going forward.
- The concept of sustainability also includes a sense of "relevance" to the times, making both Benefits Plan design/coverage and cost important areas that should be monitored and measured on an ongoing basis.

## Member Survey Respondent Demographic Questions



Survey respondents were asked to identify their Synod, providing insight into the geographic location of participants. A comparison of these responses to the Plan enrollment indicates a proportionate match. In other words, all Synods participated equally in the survey, according to their relative size.

The same correlation holds true for the survey respondents' age group (i.e., each of the age groups participated proportionately, as shown in the chart to the left).

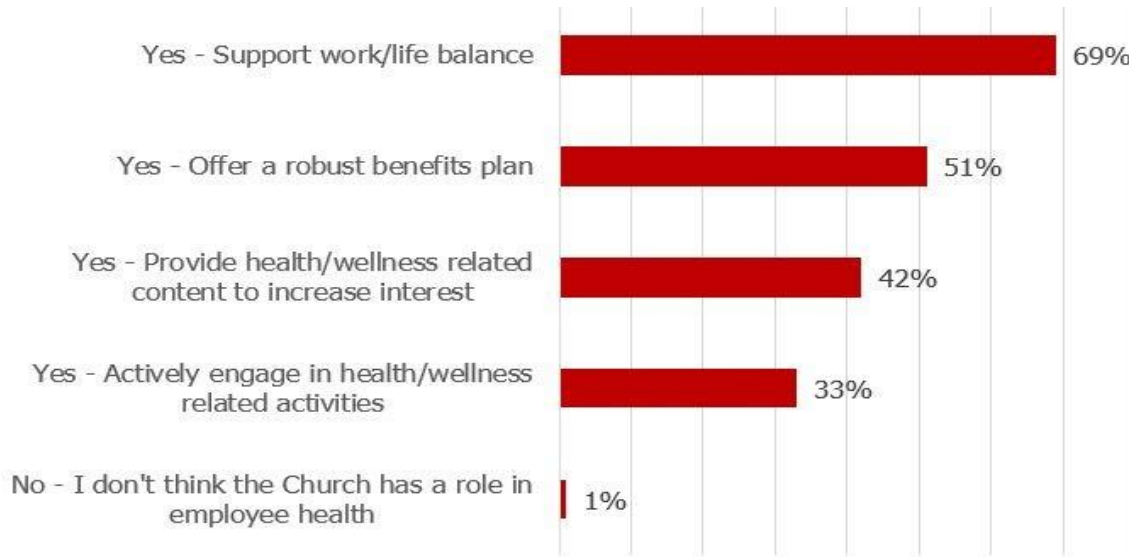
This correlation was also true for single vs family enrollment. We are pleased that Plan members were so well represented in the survey.

- Survey participants were also asked to indicate their length of service with the ELCIC. 88% of Rostered respondents have worked in the ELCIC for at least five years, with 68% of these being long-term employees of 10 years or more. This is of note, as it suggests that the majority of respondents have a significant amount of experience with the Benefits Plan, both in viewing it as important and by using it on a regular basis.
- Non-Rostered respondents reported a shorter tenure, with 76% having worked in the ELCIC for over five years, with 48% being long-term employees of 10 years or more. 24% have been employees for less than five years.



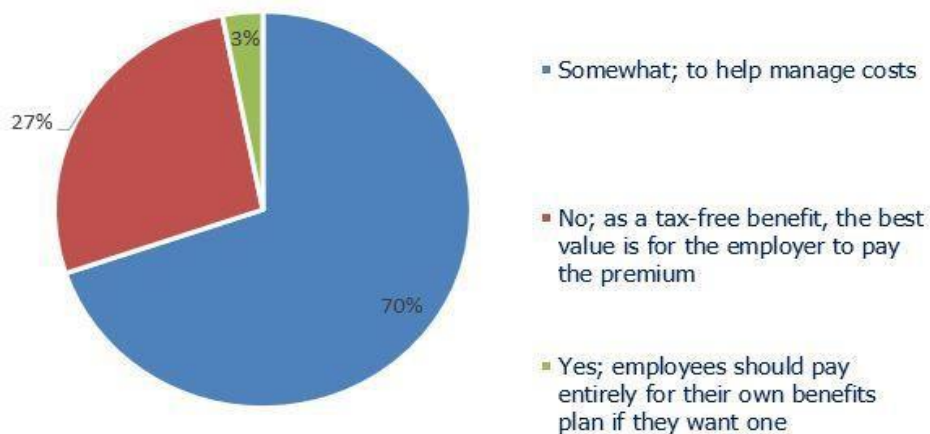
## What Employers Told Us

**Question 1: Do you think that the Church should play a role in supporting employees to improve their health? (please check all that apply)**



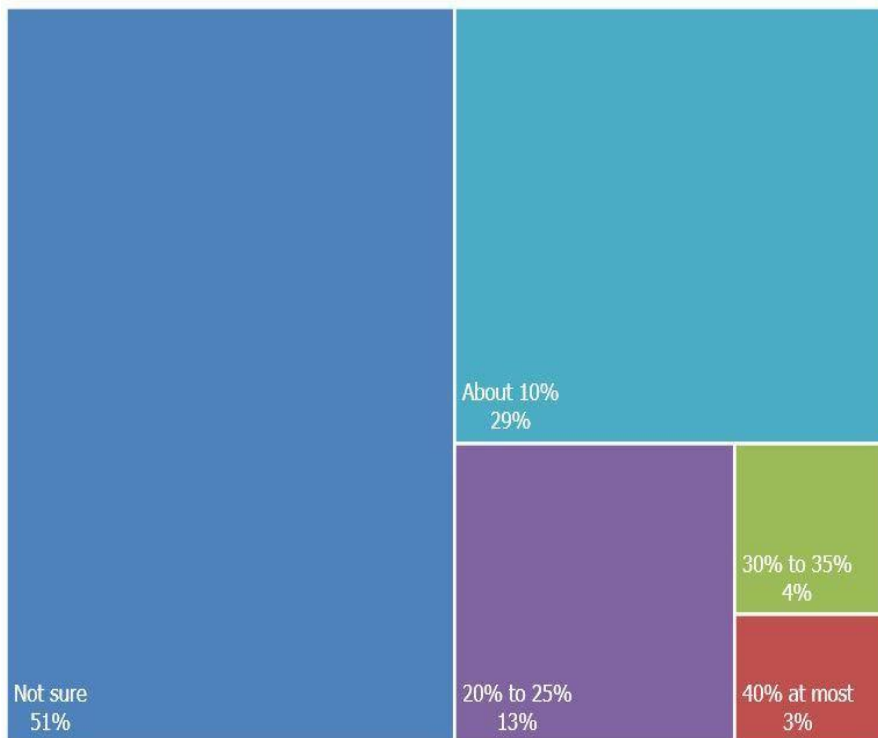
- Employer survey respondents are of the view that the Church should play a role in supporting employees to improve their health, with three of the four options being selected over 40% of the time. Of note, the top two selections are: support work/life balance (69%) and offer a robust Benefits Plan (51%). Although supportive, respondents less frequently selected options that could be viewed as representing more active engagement, such as provide health/wellness related content to increase interest (42%) and actively engage in health/wellness related activities (33%).
- Overall, this is positive news for a profession that seems to be on 24-hour call at times, with a minimal indication that employers do not have a role to play (1%).

**Question 2: Do you think that Benefits Plan members should share in the premium cost of their health and dental benefits coverage?**



- The majority of survey respondents (70%) indicated that members should have some responsibility for the cost of the Benefits Plan, while 27% recognize that, as a tax-free benefit, there are advantages to the employer paying the premiums.
- These views represent an opportunity on a couple of fronts:
  - Most survey respondents are supportive of a shared funding model for the Benefits Plan, which can help to keep sustainability in check. As an example, both employers and members have fiscal realities, in terms of costs, which creates an opportunity to make coverage choices going forward that take into account both value and sustainability; and
  - From a tax perspective, there are opportunities to consider whether a particular benefit is best paid by the employer or the member. The Benefits Plan redesign process represents an opportunity to address this balance, while continuing to share the cost.

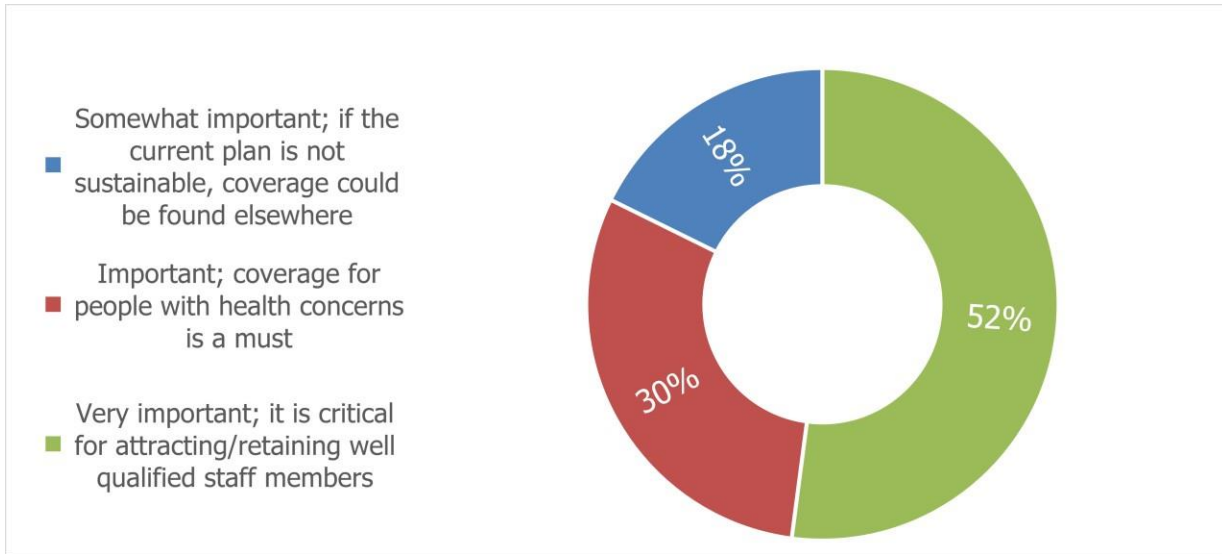
**Question 3: Approximately what percentage of the overall employee compensation budget should be allocated to the ELCIC group Benefits Plan costs? (do not include pension or government Benefits Plans)**



Perhaps, the most significant response to this question is 51% of survey participants indicating that they are unsure as to the percentage of overall employee compensation that should be allocated to group Benefits Plan costs. Coupled with this finding is what experience tells us generally: that there is not a good understanding of the true cost (or value, to an employee) that benefits represent. 29% of respondents indicating that a percentage of about 10% is optimal further emphasizes this point.

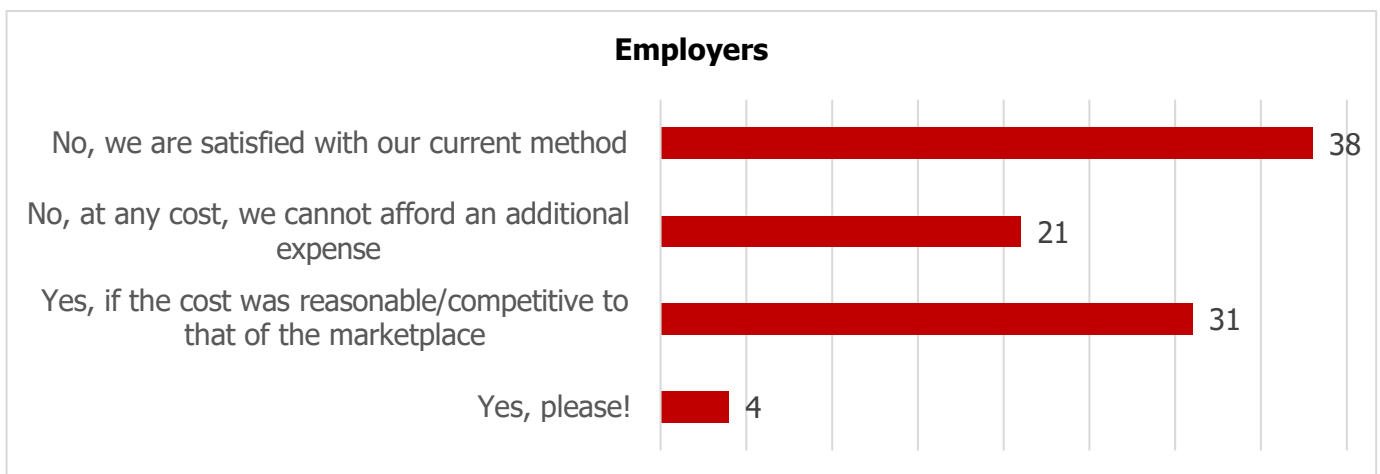
- This represents an opportunity for the Benefits Plan redesign process to consider information about actual costs, as well as some industry benchmarks of what is typical, in terms of the percentage of overall compensation.
- The percentage of the compensation budget in 2020 for an employee earning YMPE \$58,700 is 19%.

**Question 4: How important is it to you that the ELCIC Group Benefits Plan be sustainable into the future?**



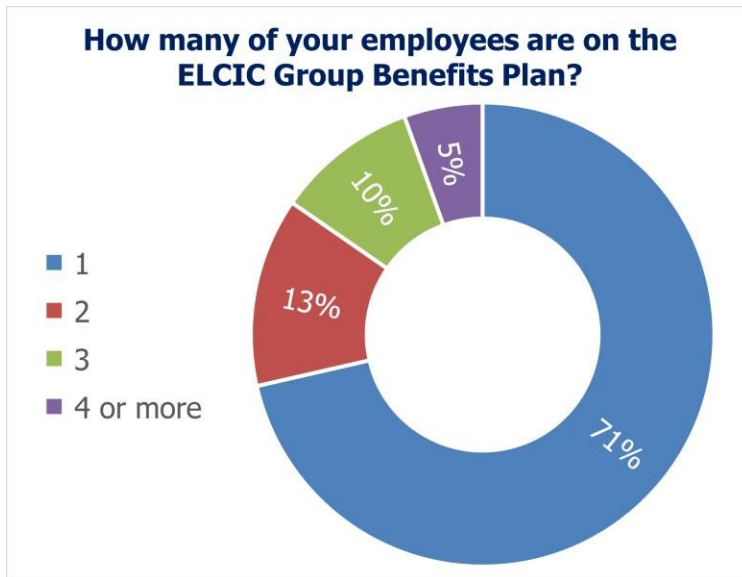
- 82% of survey respondents view Benefits Plan sustainability as critical, with 52% viewing in as very important and 30% as important. When the 18% of respondents who view sustainability as somewhat important are added in, the imperative nature of this issue is nearly unanimous.
- These findings are consistent with that of Benefits Plan members, representing an opportunity for sustainability to be a guiding principle of the Benefits Plan redesign process.

**Question 6: On a related note, GSI has been asked to consider providing payroll services to congregations. If available, would you subscribe to this service?**



- 63% of respondents indicated that they would not subscribe for a GSI-provided payroll service, with the most common reason being satisfaction with their current method (40%).

## Employer Survey Respondent Demographic Questions



This response is consistent with the ELCIC employer population, in that most employers only have one employee (71%). Almost all survey respondents indicated having three or fewer employees (95%).

Survey findings indicate that employers with two or more employees ranked all options more highly for supporting employees to improve their health, yet they were also the strongest voice in terms of having Plan members share the funding of premium costs.

Survey respondents were reasonably geographically distributed, with 61% in Western Canada and the remainder in Eastern Canada.