

PEBT Origin Story



Alouette Lake, near Vancouver, Fraser Valley, BC

Importance of PEBT experiences over the years

The creation of the Public Education Benefits Trust (PEBT) and the provision of benefits in the K–12 sector doesn't seem that exciting or important at first glance, but when you pause to consider why, it changes everything.

Before the creation of the PEBT most K–12 support staff across the province did not have access to Long Term Disability (LTD) or return-to-work programs. That meant if you were ill or injured before 2003, you would not only be concerned about your health, you would have the added burden of managing the complexities of figuring out how to get medical support and how you are going to manage financially. Typically, you would use your sick leave balance and then likely be stressing about wage continuity. You might worry about feeding your family and keeping a roof over your head.

“Most locals at the time had 1.5 days per month sick time; if ill that didn't last, there was no safety net,” explained Tracey Dahlin, PEBT Member Trustee since 2018.

More than 20 years later, those days are long gone, thanks to the creation of the PEBT in 2002 and the rollout of benefits in 2003. K–12 support staff can now rest easy knowing they have an essential safety net with fully funded long-term disability and programs like the Joint Early Intervention Service (JEIS). The goal is to provide income protection and support the workers in navigating the system so they get appropriate treatment and have a safe and healthy return to work.

The Trust concept began in 2000 as a solution to the difficult circumstances ill and injured workers could face. During challenging times in the K–12 Sector, a series of inquiries led by Vince Ready and Irene Holden and subsequent negotiations resulted in a series of recommendations, one of which was the creation of the joint Trust.

A January 2003 memo explains, “The Public Education Benefits Trust (PEBT) was created as a result of the last round of bargaining and the recommendations of the Industrial Inquiry Commission (IIC). The PEBT is operated by a Board of Trustees representing both school districts and CUPE support staff workers. The major purpose of the Trust is to provide a vehicle for the health and welfare benefits for support staff. In addition, the trustees are responsible for implementing an LTD plan and an early return to work program with monies received from the provincial government for that purpose.”

The PEBT is a jointly trusted health care fund delivering employee benefits to the unionized support staff in British Columbia's public schools. “While the struggle was hard and lengthy, hopefully, the importance of this Trust will be shown in the very near future,” wrote Gary Johnson, CUPE's K–12 Coordinator, in a memo to All K–12 Local Unions, SBDC and All K–12 Staff representatives in July of 2002.

To date more than 8,000 members have benefited from the LTD program and over 55,000 members have benefited from the JEIS, demonstrating the effort was worth it.

“Two key people, Joe Strain (BCPSEA) and Gary Johnson, (CUPE), took their responsibilities seriously. It took close to a year to work through the details, but both had the same philosophy, we have to get this right,” said Alan Chell, BCPSEA Board Chair and a PEBT Employer trustee since 2010. “They did a great job.”

Interim Accord on K–12 Issues

“BCPSEA agrees, in principle, to enter into a jointly trusted benefits trust agreement with CUPE on February 18th upon successful completion of :

- ▶ A technical review of the plan structure, identified savings and funding options for an LTD plan and a return to work initiative;
- ▶ Agreement on the distribution of savings; and
- ▶ A signed BCPSEA–CUPE joint benefits trust accord

On the establishment of the Trust, the benefits trustees will examine all benefits options to maximize efficiencies and economies to the benefit of plan partners.”

recommended by Hugh Finlayson, BCPSEA, Executive Director, Gary Johnson, national representative CUPE and Tony Penikett, Chief Public Sector Accord Negotiator

January 24, 2000



Trust benefits members and employers

While the Trust is in good financial health and not at risk, it's important to reflect on its value. If it did have to wind up, numerous important benefits could be lost.

Rob Hewitt, a former member trustee (2007–2022), explained that things could look like they did in 2000. “People would not know what to do and where to go. Benefits would get cut, or members and employers would have to pay what the government is paying. It would mean reduced benefit coverage or less money in their pocket. This would impact 26,000 families across the province,” he said.

“It would be devastating for those members. It could mean that those who don't have negotiated benefits in the collective agreement experience a cut in benefits. It would also be a loss for those with a short-term illness; they would not have the support of JEIS to go through things like rehabilitation and help those members get well sooner. Also, when on LTD, you get your first two years of benefits, which would be lost too. It's all a huge safety net,” said Dahlin.

PEBT is different from an insurance company; we are here to support you with your health care needs when you need it. Our focus is on the member's well-being.

“If PEBT were to wind up, it would be a challenge for districts because we would lose employees rather than get them back to work; we would have a more unsettled workforce,” explained Chell. He said that school districts have a healthier workforce with better morale due to PEBT.

“Members need to know the union fought for this, for future generations, and the government continues to contribute annually for LTD and JEIS, said Dahlin. And, “With trustees managing it together, it makes it work. Because the trust and fiduciary duty make sure everyone is working for the members,” she said.



Key Events and Milestones

There have been a number of significant events leading to the creation of the PEBT as well as milestones achieved in its relatively short existence, which are summarized below:

- ▶ CUPE, BCPSEA, and the Province of British Columbia enter into discussions to conclude a Public Sector Accord on K-12 Support Staff Issues, which, among other things, addresses the establishment of a jointly trusted health and welfare trust.
- ▶ In 2000, \$11.8 million was committed from the Province of British Columbia to provide LTD benefits to support staff members included in Bill – 7.
- ▶ Province provides an interest-free advance of \$3 million for the establishment of a joint early intervention service to be fully repaid by the end of 2008.
- ▶ Trust Agreement between CUPE and BCPSEA signed June 28th, 2002.
- ▶ First meeting of the initial Board of Trustees on July 3rd, 2002.
- ▶ Introduction of LTD benefits to support staff members included in Bill – 7 effective March 1st, 2003.
- ▶ Initial enrolment for Other Benefits (i.e., Life, Accident, Extended Health, and Dental Care) begins in August 2004, with completion in April 2006. PEBT facilitates the provision of these other benefits to the districts/members.
- ▶ “Core” LTD benefit, initially set at 50% of monthly earnings, is increased to 60% of monthly earnings effective July 1st, 2005.
- ▶ In Spring 2006, participation in the PEBT is expanded through collective bargaining to include additional school districts and union locals representing approximately 8,000 support staff members.
- ▶ Introduction of “Core” LTD benefits to the additional support staff members effective November 1st, 2006.
- ▶ Initial enrolment of Other Benefits (i.e. Life, Accident, Extended Health, and Dental Care) for the additional support staff members begin January 2007, with completion in June of the same year.
- ▶ “Core” LTD benefit is increased to 66.67% effective April 1, 2013.
- ▶ “Core” LTD benefit is increased to 70% effective July 1, 2016. An ad-hoc cost of living adjustment (COLA) is also added. This COLA is reviewed annually by the Board, depending on the financial position and priorities of the Trust.
- ▶ Effective July 1, 2021, the “Core” LTD is improved to cover the member's portion of the extended health (including medical referral travel benefit) and dental premium contributions for the first two years of the member's LTD claim.

Joint Trusteeship is the secret sauce to success

The PEBT runs with a joint trusteeship model based on the inquiry recommendations. This means the Trust is governed by a board of trustees made up of an equal number of CUPE members and employer representatives. Together they have a common goal of running the Trust and fulfilling their fiduciary duties.

“As a trustee, they are **our** members; that collegial approach is what makes it work,” said Chell. “I can’t think of one time in 12 years when we were split on a topic. Our focus is the members and helping them.”

“The joint aspect is what makes PEBT successful. We are fortunate; the trustees from both sides are engaged, interested and open-minded. Generally speaking, both sides have been open to making the best plan for members,” said Hewitt. “If you walked into a meeting, you wouldn’t be able to tell who is the employer rep and who is the employee rep.”

“We have good professionals helping us, a secretariat, advisors, investment professionals, legal etc. It is so important,” said Dahlin. “That fiduciary duty puts the member first; that is why we are there. Working together well as a board and having good guidance is important too,” she said. “You have to work together – bringing together the union and employer for the common good for members, this works,” said Dahlin.

Hewitt explains how this works, “The whole joint Board is working to improve the benefits payable to the members at the lowest cost possible. We work hard not to pay more than we need to. If we save money, then better benefits can be negotiated.”

Original PEBT Board of Trustees

CUPE

- ▶ Gary Johnson 2002–2009
- ▶ Colleen Jordan 2002–2003
- ▶ Rick Korens 2002–2004
- ▶ Bill Zemen 2002–2002
- ▶ Anne Bell 2002–2012 (Chair for this time as well)
- ▶ Susan Zander 2002–2003

BCPSEA

- ▶ Ron Christensen 2002–2012 (Vice Chair for this time as well)
- ▶ Joe Strain 2002–2006/2012–2017
- ▶ Rick Leche 2002–2003
- ▶ Loris Pante 2002–2017
- ▶ Simon Mason 2002–2007
- ▶ Phil Turin 2003–2004



PEBT is focused on member health and well-being, helping maintain the health and financial security of unionized support staff in BC public schools and ensuring the programs continue to meet members’ needs. Together trustees consider the future generations of members. “One thing everyone wrestles with over the years is finding a balance between benefits and sustainability. We work at this together,” explained Chell.

The importance of PEBT to the sector is evident when you pause to look at life before and the many positively impacted lives since. Both the employer and union agree PEBT provides an important safety net for the K–12 sector, and together, through joint Trusteeship, they work to keep the programs sustainable.