

**For the upcoming renewal of our Dental Plan, MVTA has a surplus over and above the required surplus level (125%) of 35%. Keeping a surplus of 125% is the accepted practice for plans such as these. Having another 35% surplus on top of that is not recommended and thus a decision needs to be made.**

Given this and the increase to the Dental Fee Guide of 3.2% in the fall of 2014, the Dental Trust has recommended these options to our Association.

1. Increase the annual maximums, from $1500 combined annual maximum to a $1750 combined annual maximum for all services, with no change to premiums.This would run down the surplus over approximately 5 years.
2. Reduce premiums for September 2014 by 3% and make the same plan change, $1500 to $1750, and run down the surplus over approximately 3 years.

Option 1 is the most desirable one in terms of keeping premiums stable and providing better coverage without any increase to the premium. Option 2 would likely result in a yo yo effect on our premium which is problematic when budgeting and trying to keep premiums stable over the long term.

When determining how to deal with a surplus, one is always making predictions about future usage of the plan. Usage changes from year to year based on a variety of factors depending on members’ ages, number of dependents, dental health, etc. and cannot be predicted with precise accuracy.

After discussion at our last meeting, Executive members decided that Option 1 is the preferred option.

In many associations, the Executive or Council would make this decision but our Executive wanted to give the membership opportunity to have input on this decision.

A decision has to be made by mid June so that everything is set up for the beginning of next school year. Thus, this decision will be **made at our AGM on Thursday May 15 at 7 pm at the DRCSS Staff Cafeteria.**

Glen Anderson, MTS Staff Officer for Employee Benefits, will be present at the meeting to answer any questions. Should you have questions before them, please contact Glen at 1800 262 8803 or Kathy Bellemare at 204 638 3619 or presidentmvta@gmail.com.