



Municipal Retiree
Benefit Trust

ANNUAL **REPORT 2024**

www.pac.bluecross.ca/mrbt



CONTENTS

1 Message from the trustees

6 Financial summary

- 6 Assets and liabilities
- 8 Investment income
- 8 Contributions
- 9 Extended health benefits
- 9 Accrued benefit obligations

10 Investments

- 10 Investment overview
- 11 Responsible investing

12 Health coverage for current & future retirees

- 12 Subsidized extended health coverage
- 12 Optional dental care coverage at a group rate
- 13 Affordable and sustainable benefits for retirees
- 13 MRBT benefits coverage
- 14 MRBT benefits utilization & costs
- 15 MRBT premiums and subsidies

16 Who we are

- 16 Your 2024 trustees
- 19 Agents & service providers

MESSAGE FROM THE TRUSTEES

At the Municipal Retiree Benefit Trust (MRBT), our priority is supporting your health and well-being in retirement.

We are pleased to present the 2024 Annual Report. It outlines how the Trust is being managed, highlights the progress we have made over the past year, and shares our priorities for the future.

MRBT provides access to extended health and dental benefits for more than 90,000 retired members of the Municipal Pension Plan (MPP). These optional group benefits supplement provincial healthcare coverage.

THE VALUE OF YOUR MRBT COVERAGE

The MRBT plan is designed to provide meaningful, cost-effective coverage, allowing you to access the care you need in retirement.

Your coverage includes:

- **Group buying power**, helping to keep premiums lower than most individual plans
- **Potential premium reductions** based on your years of pensionable service
- **Supplemental health and dental coverage** that complements provincial healthcare
- **Additional member supports**, such as mental health services, pharmacy partnerships, and online tools



BALANCING TODAY'S NEEDS WITH TOMORROW'S SUSTAINABILITY

As Trustees, we take our responsibility seriously. We actively monitor the Trust's performance and work to protect its long-term value. The fund is carefully managed and thoughtfully invested with the future in mind.

Our goal is to ensure that group benefits remain available, affordable, and sustainable now and in the years ahead.

We are often asked how decisions are made. Here is what you should know:

- While we manage how funds are allocated, we cannot control how much funding comes into the Trust.
- We also cannot predict member utilization each year, or how external factors such as inflation, drug prices, and market trends will evolve.
- These uncertainties, along with the increasing health needs of an aging population, require us to plan prudently and make balanced decisions.

Each year, we review participation levels, premiums, and coverage. While healthcare costs continue to rise across Canada, we remain committed to ensuring that MRBT benefits stay accessible and valuable.



A REMINDER ABOUT RETIREMENT BENEFITS

Health benefits in retirement differ from those provided during active employment. Coverage levels, limits, and providers may vary. We encourage all members to review their benefits annually to stay informed.

ENHANCEMENTS THAT MATTER TO YOU

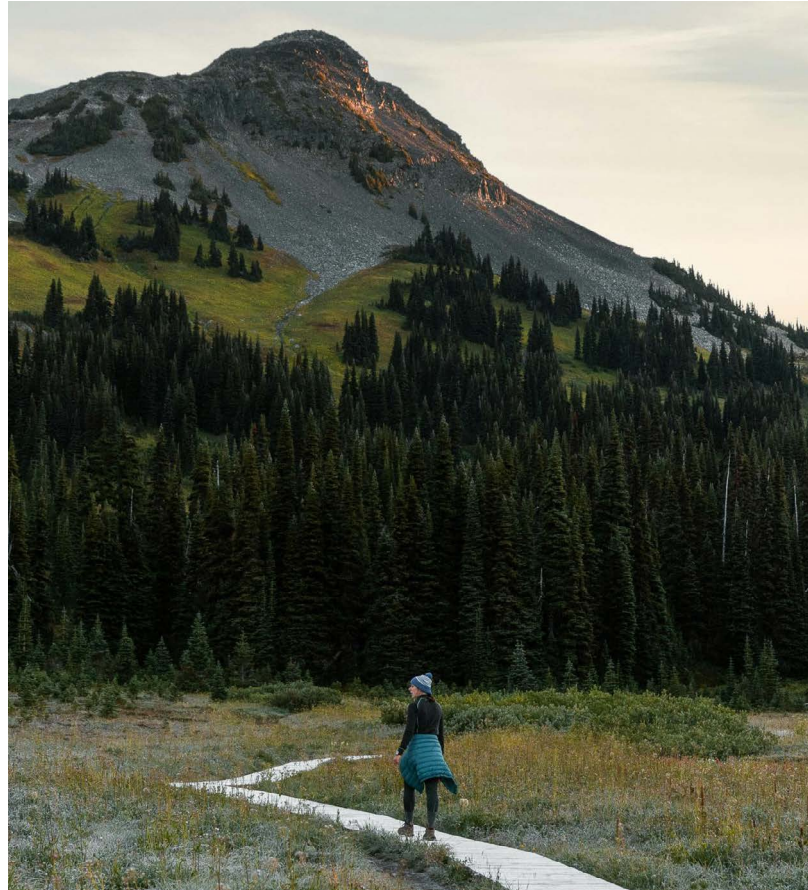
WHAT'S NEW IN PRESCRIPTION DRUG COVERAGE

BC PharmaCare introduced several important updates to its provincial drug program in 2024. These changes directly impacted your coverage, as the MRBT drug formulary (Blue RX) is closely aligned with PharmaCare.

Members now have greater access to newer, more effective medications, particularly for chronic and complex conditions such as diabetes and cancer.

Expanded coverage of high-cost drugs under Special Authority and Fair PharmaCare supports improved health equity. Additionally, PharmaCare has streamlined its approval processes and aligned more closely with national drug review recommendations, allowing faster access to essential medications. These changes reflect a broader provincial commitment to public health, and they directly benefit MRBT members.

You can review your drug coverage through the PBC member portal or mobile app.



SUPPORTING YOUR MENTAL HEALTH AND WELL-BEING

In 2024, we expanded your benefits to better support mental wellness.

MRBT now covers services from registered clinical counsellors, in addition to registered psychologists, giving you more flexibility when seeking support.

We also introduced online cognitive behavioural therapy (CBT), a proven, accessible tool available anytime from the comfort of your home.

HELPING YOU NAVIGATE YOUR COVERAGE

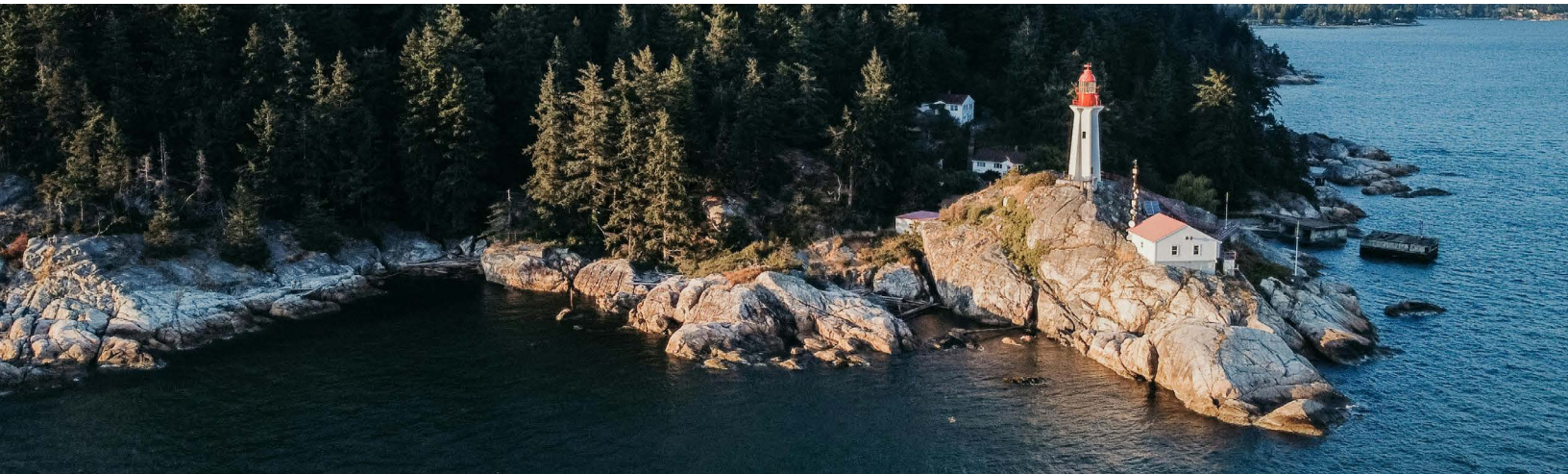
We recognize that group benefits can be complex. That is why we continue to invest in resources to make your plan easier to understand and use.

In 2024, we introduced new tools to support you:

- **Benefits at a Glance** – a summary of your coverage in a one-page format
- **Retiree Guide** – answers to frequently asked questions and key contacts

These resources are available on the MRBT website, hosted by Pacific Blue Cross: pac.bluecross.ca/mrbt

We will continue investing in member education throughout 2025, so you can feel confident about your benefits.



NAVIGATING A CHANGING BENEFITS LANDSCAPE

The broader healthcare landscape is evolving. In 2024, we closely monitored the rollout of the Canadian Dental Care Plan (CDCP) by the federal government.

While the CDCP may provide support for some Canadians, its eligibility criteria could pose challenges for MPP retirees. We have shared our concerns with the government and will continue to advocate on behalf of MRBT members.

ENSURING LONG-TERM SUSTAINABILITY OF THE TRUST

MRBT remains financially strong.

Based on current subsidy and coverage levels, the Trust is projected to fund approximately 33 years of benefits, a reflection of sound stewardship and long-term planning.

However, factors such as rising drug costs, increased utilization, and broader economic pressures mean that we must continue to make prudent, evidence-based decisions each year.

We conduct annual reviews of:

- Premium levels
- Plan participation
- Coverage and plan design

We also work closely with Pacific Blue Cross to manage costs, such as negotiating provider fees and pharmacy pricing, to help reduce out-of-pocket expenses for members.



LOOKING AHEAD

In 2024, we:

- Expanded mental health coverage
- Improved access to newer medications
- Made plan information more accessible
- Monitored national policy changes affecting retiree benefits

As we look ahead, our focus remains the same: to protect and sustain this plan so it can continue supporting current and future retirees.

We understand that affordability matters. So does having access to the care and services you need. Our role is to strike the right balance, and we will continue doing so with care, transparency, and a commitment to your well-being.

The Municipal Retiree Benefit Board of Trustees

FINANCIAL SUMMARY

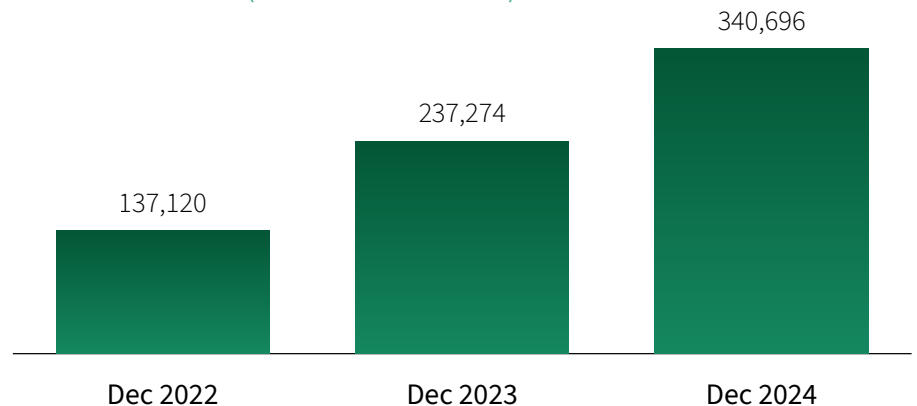
As at December 31, 2024, the MRBT's net assets available for benefits were \$340.7 million.



ASSETS & LIABILITIES

As at December 31, 2024, the MRBT's total assets were \$362.1 million and total liabilities were \$21.4 million. This means the net assets available for benefits were \$340.7 million. This money will be used over the long term to provide sustainable access to group benefits.

NET ASSETS (\$ THOUSANDS)



Total assets are made up primarily of:

- Investments (\$337.1 million)
- Contribution receivables (\$14.7 million)
- Prepaid expenses to the group benefit carrier (\$10.3 million)

Liabilities are made up primarily of:

- Accounts payable to the group benefit carrier (\$5.5 million)
- Retired member group benefit obligation (\$9.6 million)
- Benefits incurred but not reported (\$5.4 million)

FINANCIAL SUMMARY (\$ THOUSANDS)

for the year ended December 31

	2023	2024
Increase in assets		
Investment income (loss)	\$ 18,465	\$ 41,301
Contributions	136,028	118,060
Total increase in assets	154,493	159,361
Decrease in assets		
Retired member group benefits	51,823	53,450
Investment and administration costs	2,516	2,489
Total decrease in assets	54,339	55,939
Increase (decrease) in net assets	100,154	103,422
Net assets at beginning of year	137,120	237,274
Net assets at end of year	\$237,274	\$340,696

Net assets will be used over the long term to provide sustainable access to group benefits.

ASSETS & LIABILITIES (\$ MILLIONS)

362.1 Total Assets

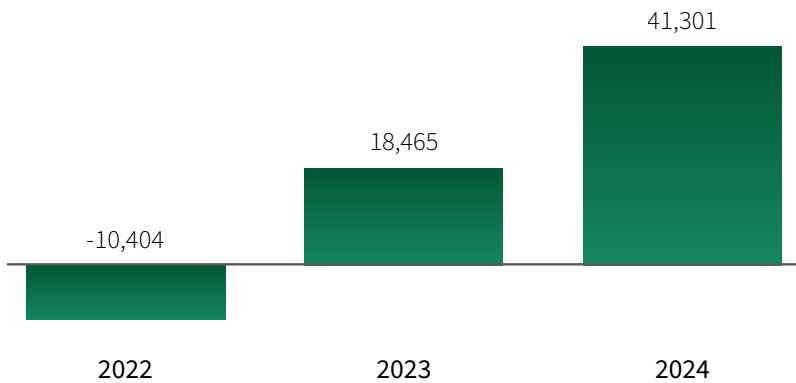
21.4 Total liabilities

340.7 Net Assets

INVESTMENT INCOME

During 2024, the MRBT gained \$41 million on its investments with a return of 14.9 per cent.

INVESTMENT INCOME (LOSS) (\$ THOUSANDS)

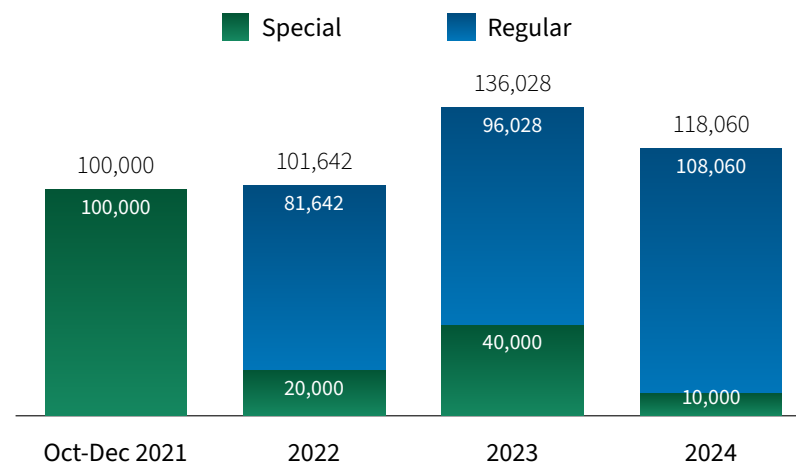


CONTRIBUTIONS

To support the delivery of health and dental benefits, the MPP plan partners agreed to provide \$170 million in seed funding to create the Municipal Retiree Benefit Trust (MRBT). In addition, employers contribute an ongoing negotiated 0.6 per cent of active employees' salaries.

Retired members who choose to enroll in the MRBT health and dental plan contribute through monthly premiums. The trust's funds are invested by BC Investment Management Corporation (BCI), with oversight from the MRBT trustees, who are responsible for balancing incoming funds with outgoing costs to ensure the long-term sustainability of the plan.

CONTRIBUTIONS (\$ THOUSANDS)



EXTENDED HEALTH BENEFITS

EXTENDED HEALTH BENEFITS (\$ THOUSANDS)

	2023	2024
Extended health care claims	\$106,907	\$113,850
Premiums paid by retirees	(58,278)	(63,755)
Claims adjudication costs	3,194	3,355
Total group benefits cost	\$ 51,823	\$ 53,450

ACCRUED BENEFIT OBLIGATIONS

The accrued benefit obligation is the amount the MRBT would be required to pay out if it were closed. Because benefits are not guaranteed, the MRBT's accrued benefit obligation is set equal to the net assets available to pay the obligations.

As a result, the MRBT's financial statements will always show a nil surplus or deficit.

In 2024, \$108 million of regular MPP employer IAA contributions were transferred to the MRBT.

INVESTMENTS

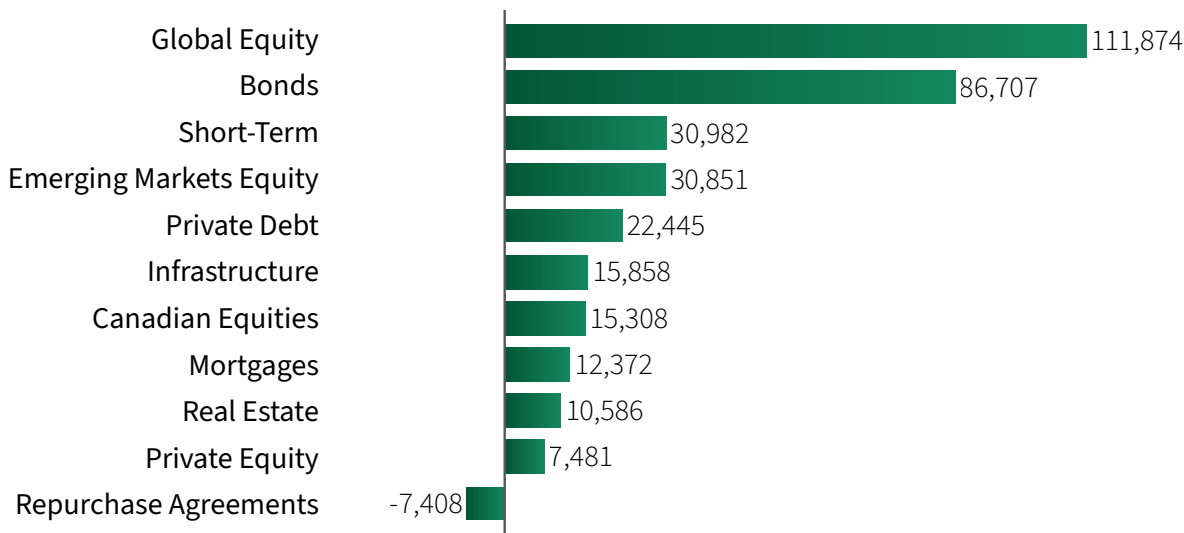
INVESTMENT OVERVIEW

The MRBT Board of Trustees is responsible for overseeing an investment portfolio of \$337.1 million, as at December 31, 2024. The board's priority is to ensure the trust is secure and stable over the long term so that current and future retired members have access to post-retirement group benefits.

The board oversees and monitors the performance of its investment management agent, the British Columbia Investment Management Corporation (BCI). The board sets the investment beliefs and financial goals of the trust through the Statement of Investment Policies and Procedures, and BCI puts them into action.

In the year ended December 31, 2024, the trust's investment portfolio grew by \$101.1 million due to investment returns and contributions from MPP.

INVESTMENT HOLDINGS (\$ THOUSANDS)



RESPONSIBLE INVESTING

Responsible investing is key to generating long-term value for plan members. The board and BCI believe that when portfolio companies have better environmental, social, and governance (ESG) performance, they are better positioned to deliver risk-adjusted returns.

BCI continues to support positive ESG performance in its portfolio companies through global policy advocacy, proxy voting, and engagement.

POLICY ADVOCACY

BCI engages at the policy and market levels to strengthen the investment landscape. By advocating for change that incorporates ESG principles into regulatory frameworks, we contribute to greater stability within global capital markets.

PROXY VOTING

BCI uses proxy voting as a tool to encourage ESG improvements through board and management accountability. Proxy voting enables BCI to vote on management and shareholder proposals according to its Proxy Voting Guidelines. In 2025, BCI released the 12th edition of its Proxy Voting Guidelines, affirming BCI's expectations for portfolio companies.

If BCI finds that a company it has already engaged with is not taking sufficient action to meet ESG standards, then they may escalate engagement by filing shareholder proposals. A full record of BCI's votes and rationale can be found on its [website](#).

DIRECT AND COLLABORATIVE ENGAGEMENT

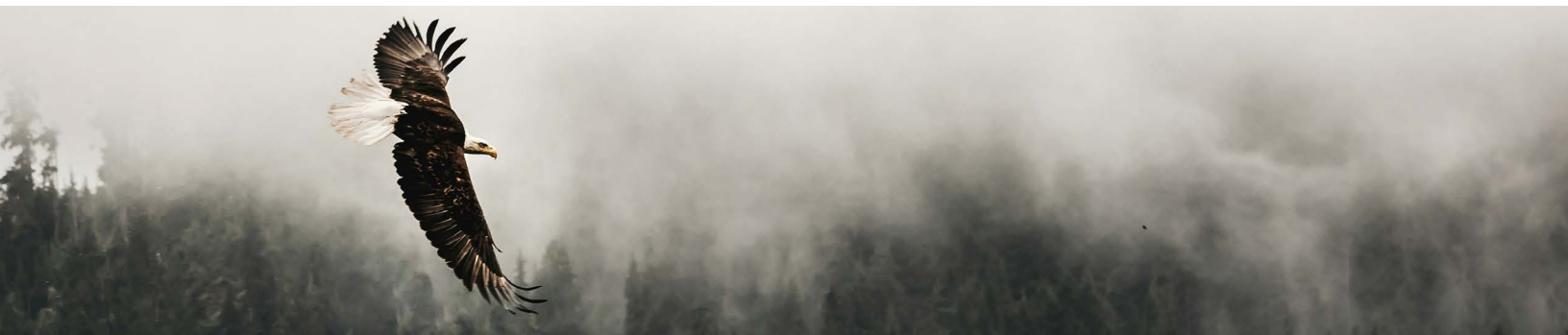
BCI interacts with companies to achieve strategic outcomes through constructive dialogue on ESG topics. In 2023, BCI directly engaged 134 companies across public and private markets, with 58 per cent of these engagements resulting in positive momentum or achieving objectives.

The board and BCI emphasize the importance of responsible investing to ensure long-term financial success. For more information on BCI's ESG strategy, visit bci.ca/esg. Read case studies on BCI's engagement activities in its annual [Stewardship Report](#).

HEALTH COVERAGE **FOR CURRENT & FUTURE RETIREES**

The MRBT provides retired members of MPP with access to optional group benefits offering extended health and dental care coverage.

Retired members and beneficiaries who receive a pension from MPP have access to group coverage for extended health care and dental care provided by the MRBT.



SUBSIDIZED EXTENDED HEALTH COVERAGE

The extended health care plan is a supplemental plan that extends beyond what is covered by provincial healthcare. It includes coverage for prescription drugs and other expenses, such as medical aids and supplies, as well as the cost of other medical and health services. Extended health coverage is subsidized for members based on their years of pensionable service in MPP. The plan premiums paid by members and the subsidies members receive for 2024 are set out on page 15.

OPTIONAL DENTAL CARE COVERAGE AT A GROUP RATE

The MRBT also provides access to two non-subsidized group dental plans referred to as the essential plan and the enhanced plan. Enrolment is optional and provides members with premiums that reflect the MRBT's group rate and may provide better coverage than an individual plan.

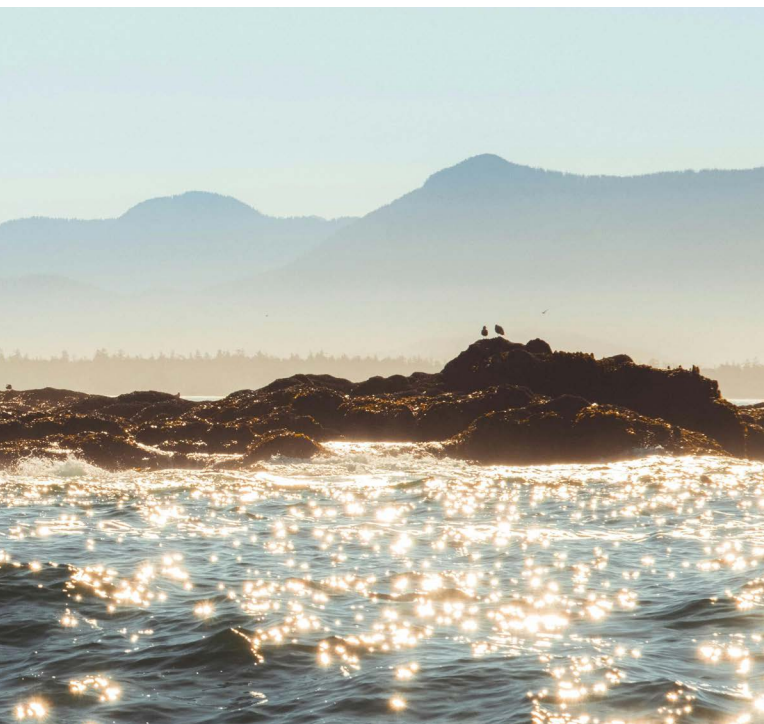
AFFORDABLE AND SUSTAINABLE BENEFITS FOR RETIREES

Group benefits are not funded by member contributions so are not guaranteed in the future. The funding for the MRBT comes from 0.6 per cent of MPP employer contributions, member premiums and investment returns. This is why the MRBT trustees are focused on the sustainability of the plan. This involves cost management of benefits paid while still ensuring members receive valuable supplemental health benefits. More information on the funding for the MRBT is available at mpp.pensionsbc.ca/municipal-retiree-benefit-trust.



MRBT BENEFITS COVERAGE

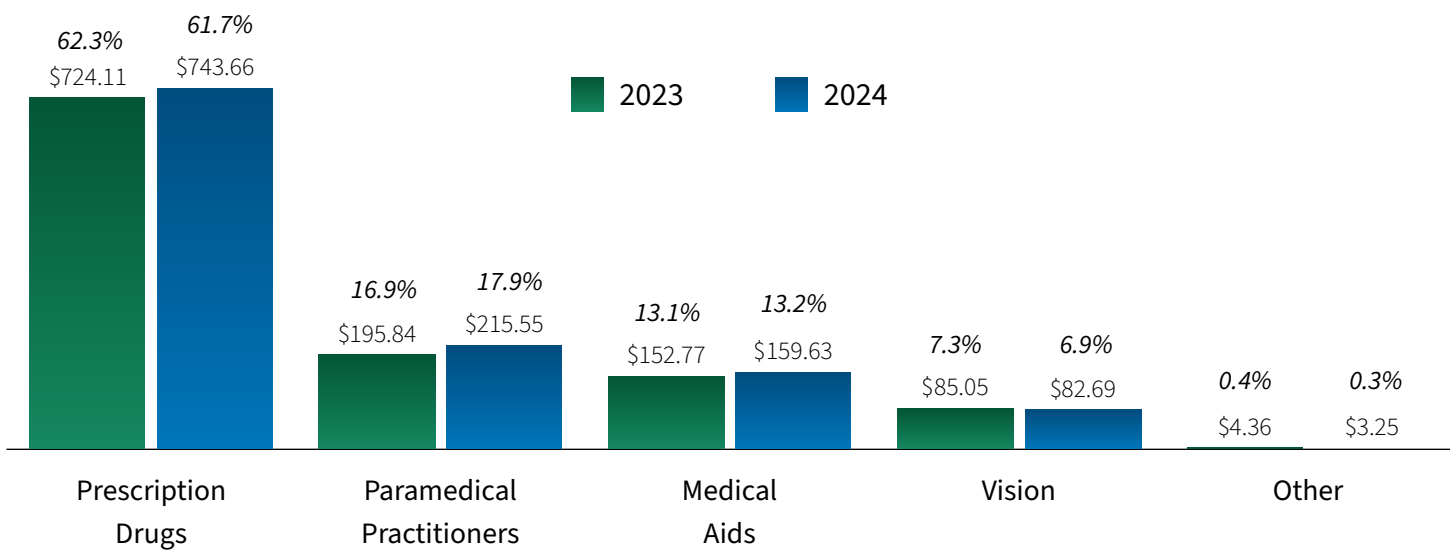
Retired MPP members can participate in the MRBT group plan, which offers supplemental extended health care and dental care coverage. The MRBT contracts with Pacific Blue Cross to process benefit claims and reimburse retired members. We encourage all members, especially new future retirees, to carefully review the MRBT benefits plan. Plan coverage may not be the same as when a member was working. More information is available at pac.bluecross.ca/mrbt.



MRBT BENEFITS UTILIZATION & COSTS

This chart shows the per retiree utilization of extended health benefits across the major categories. Prescription drugs account for over 60% of the MRBT plan costs.

EXTENDED HEALTH UTILIZATION (\$ PER RETIREE)



**THE MRBT EXTENDED
HEALTH BENEFITS PLAN
SUPPLEMENTS PROVINCIAL
HEALTHCARE COVERAGE**

MRBT PREMIUMS AND SUBSIDIES

Extended health coverage is subsidized for members based on their years of pensionable service in MPP. For dental coverage, the MRBT offers two plan options. Participation in the dental plan is optional, and members pay the premiums. The 2024 premiums are set out below.

ENROLMENT IN EXTENDED HEALTH CARE AND DENTAL COVERAGE

for the year ended December 31

	2024
Dental only	2,170
Extended health care only	15,052
Both	79,764
Total participants	96,986

PREMIUM RATES & SUBSIDIES - EXTENDED HEALTH CARE

monthly rates effective February 1, 2024

Pensionable service of retired member	Single	Couple	Family
Under 2 years (full premium)	\$77.00	\$154.00	\$300.30
2 years to under 4 years	65.45	142.45	288.75
4 years to under 6 years	53.90	130.90	277.20
6 years to under 8 years	42.35	119.35	265.65
8 years to under 10 years	30.80	107.80	254.10
10 years or more	19.25	96.25	242.55
Beneficiary/surviving spouse receiving a pension	77.00	154.00	300.30

PREMIUM RATES - DENTAL

monthly rates effective February 1, 2024

	Single	Couple	Family
Essential dental	\$32.00	\$60.99	\$102.59
Enhanced dental	55.28	104.74	148.20

WHO WE ARE



BONNIE PEARSON CHAIR *(ended June 30, 2024)*

Appointed by Municipal Employees' Pension Committee
Board term January 2022 to present



DEAN LEVANGIE CHAIR *(began July 1, 2024)*

Appointed by Provincial government and Union of BC Municipalities
Board term January 2022 to present



LYN KOCHER VICE-CHAIR *(ended June 30, 2024)*

Appointed by Provincial government and Union of BC Municipalities
Board term January 2022 to present



TOM STAMATAKIS VICE-CHAIR *(began July 1, 2024)*

Appointed by Municipal Employees' Pension Committee
Board term January 2022 to present

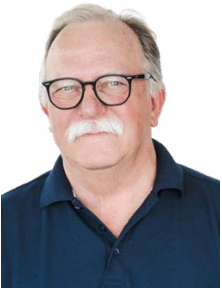
WHO WE ARE



LORNE BURKART

**Appointed by
Board term**

Municipal Employees' Pension Committee
January 2022 to present



JOHN BURROWS

**Appointed by
Board term**

Municipal Employees' Pension Committee
November 2022 to January 2025



DIANA LOKKEN

**Appointed by
Board term**

Provincial government and Union of BC Municipalities
January 2022 to present



PETER URBAN

**Appointed by
Board term**

Provincial government and Union of BC Municipalities
January 2023 to present

TRUSTEE REMUNERATION

for the year ended December 31, 2024

Trustee	Payment	Paid to
Bonnie Pearson¹ , chair	\$ 8,538.11	Board Member
	4,120.36	Board Member
Dean Levangie² , chair	4,818.58	Health Employers Association of BC
	1,486.95	Health Employers Association of BC
Lyn Kocher³ , vice-chair	9,887.14	Board Member
	3,370.42	Board Member
Tom Stamatakis⁴ , vice-chair	4,383.27	Canadian Police Association
	1,508.50	Canadian Police Association
Diana Lokken	4,667.73	Board Member
John Burrows	3,857.45	Board Member
Lorne Burkart	2,963.99	BC Nurses' Union
	349.11	Board Member
Peter Urbanc	3,124.75	Board Member
Total	\$53,076.36	

¹ Term as Chair ended June 30, 2024

² Term as Chair began July 1, 2024

³ Term as Vice-Chair ended on June 30, 2024

⁴ Term as Vice-Chair began July 1, 2024

AGENTS & **SERVICE PROVIDERS**

BCI

BCI provides investment management services to the board.

BC PENSION CORPORATION

BC Pension Corporation provides benefit administration and financial services to the board and supports MRBT Communications activities.

CUBIC HEALTH INC.

Cubic Health Inc. provides quarterly and annual analysis on usage and population health to the board to assist in benefit plan design and ongoing management.

GEORGE & BELL CONSULTING¹

George & Bell Consulting provides benefit consultation and actuarial services to the board.

HATCH LAW

Hatch Law provides legal advice and services to the board.

HEALTHCARE BENEFIT TRUST

Healthcare Benefit Trust provides secretariat and communication services to the board.

KPMG LLP

KPMG LLP provides external audit services for the MRBT.

PACIFIC BLUE CROSS

Pacific Blue Cross administers the group extended health coverage and insured dental plan coverage for the MRBT.

¹ George & Bell will be rebranding as Convyta Partners LP in the fall 2025.

THANK YOU

It's our privilege to support your health and well-being in retirement.

We invite you to join us at the MRBT Virtual Information Session on October 16, 2025, as part of the Municipal Pension Plan (MPP) Year in Review.

This is a valuable opportunity to learn more about your benefits, ask questions, and hear directly from your Trustees.

In the meantime, we encourage you to visit the MRBT website for helpful resources and up-to-date plan information: pac.bluecross.ca/mrbt

The Municipal Retiree Benefit Board of Trustees

Email: contact@bcmrbt.ca
Mail: Municipal Retiree Benefit Trust Secretariat
c/o Healthcare Benefit Trust
Attention: Board Secretary
350-2889 East 12th Avenue, Vancouver, BC V5M 4T5