



PEBT

Public Education
BENEFITS TRUST

Your benefits, your health

2024 Annual report

What's inside

FIND ANSWERS TO THESE KEY QUESTIONS:

- What changed in 2024?
- Who is responsible for plan governance and operations of the Trust?
- Why is the JEIS so important?
- How does the LTD program support our members?
- What other benefits are offered through the PEBT?
- How did the PEBT's investments perform?



This annual report summarizes the yearly performance and activities of the Public Education Benefits Trust Fund (PEBT), a jointly trusted employee life and health trust (ELHT) formed through bargaining and the recommendations of the Industrial Inquiry Commission (IIC) delivering employee benefits to the unionized support staff in British Columbia's public schools. PEBT is focused on the health and well-being of our 27,600+ members and their 45,500+ dependents, helping maintain their health and financial security and ensuring our programs continue to meet members' needs.

Our report highlights how member and employer trustees work collaboratively together to successfully administer the Trust and the benefits offered.

Through the PEBT, our members enjoy many advantages, which include:

- Help in making a safe and timely return to work through the Joint Early Intervention Service (JEIS) program
- Financial support in the event of a long-term illness or disability through a Long Term Disability (LTD) program funded through the provincial government
- Improved governance due to the PEBT's structure as a trust
- Financial savings due to the PEBT's size and purchasing power
- Generation of additional income from investment of reserves to offset administration/Trust costs
- Promoting positive labour relations that encourage the interested parties to work together for a common purpose

We have also provided updates to the financial status of the PEBT and, in particular, the "Core" LTD Program that is solely funded through the provincial government on an annual basis.

We encourage you to read our annual report and become familiar with all that the PEBT does to support members, union locals and school districts.

Irene Schoemaker
Board Chair

Alan Chell
Board Vice Chair

To learn more about the PEBT, and everything it has to offer, visit pebt.ca.

Noteworthy in 2024

Trustee Changes

Employer Trustees:

- Rachael Green replaced Alanna Cameron

Alanna Cameron was a trustee from 2021, serving on the Finance & Audit and JEIS/LTD Committees. The Board would like to thank Alanna for her time serving the PEBT.

PEBT Strategic Plan Update

We've refreshed our purpose, vision and strategic plan to align with our current objectives and ensure we are meeting future requirements of our members.



Purpose

To support members through their disability and deliver quality health benefits and services



Vision

Excellence in benefit delivery for member health and wellbeing



Values

Member Focused,
Do What's Right,
Work Together,
Accountable



PEBT – QUICK FACTS

2 sponsors: the British Columbia Public School Employers' Association (BCPSEA) and the Canadian Union of Public Employees (CUPE)

59 participating school districts

67 union locals

27,600+ plan members

12 appointed Trustees with equal representation from the employer and union govern the plan, representing both school districts and support staff workers in the K–12 sector

69,195 members supported through the JEIS program since inception in 2002

10,177 LTD claims approved since the inception of the Trust

6.2% investment return over the past 5 years: \$149,621,000 investment portfolio

PEBT Strategic Plan Update (CONTINUED)

The PEBT provides many valuable benefits to support the health and well-being of its 27,600+ members, including:

- Joint Early Intervention Service (JEIS)
- “Core” Long Term Disability (LTD) benefits
- “Other” Long Term Disability benefits
- Other benefits: Group Life (including Optional benefits), Group Accident (including Optional benefits), Extended Health Care (including Medical Referral and Travel, where applicable), and Dental Care

Through our strategic initiatives we want to continue to improve the benefits and supports we provide to members. Here are the highlights of our strategic initiatives for 2024:

1. Operational Excellence

- Completed the transition to a “direct-to-insurer” service delivery model. This change was based on concerns raised by district benefits administrators regarding the previous benefits administration system and their preference for a direct-to-insurer model.

2. Member Health and Wellbeing

- Collaborated with school districts and local unions to analyze existing return-to-work processes for both JEIS and LTD to identify bottlenecks and areas for improvement to ensure a smoother transition back to work for all members.
- Targeted modifications to our surveys, including those sent to members and District Joint JEIS Committees, to improve data collection, better understand return to work challenges, and develop more effective strategies for supporting members back to work.
- Identified and shared successful strategies and solutions to facilitate members’ return to work that address common barriers and challenges.

3. Engagement

- Created and implemented a change management communications plan to support the transition to a “direct to insurer” service delivery model.
- Developed a new user-friendly website. The website is member-focused, easy to navigate and informative and has been modernized to be more mobile-friendly, easily searchable and includes translation functionality for several languages. We look forward to expanding our website capabilities in the future.

We will continue to share our progress as we complete initiatives supporting our purpose and vision.

Cost of living adjustment benefit

In most years, the cost of living rises with inflation. That means a dollar today may not have the same purchasing power 20 years from now. To offset the effects of inflation, the “Core” LTD Program may provide a cost of living adjustment (COLA). In 2024, the “Core” LTD program monthly benefit increased by 2.1%, effective July 1, 2024 for all active Member claims that have been in receipt of LTD benefits for 12 months or more. This increase balances the need for sustainability of the Core LTD Program while recognizing Members receiving LTD benefits are facing rising costs on a reduced income. Any future COLA will be considered by the Board, depending on the financial position and priorities of the Trust.



Trust governance & operations

The PEBT is a joint Trust where member and employer trustees work collaboratively together and with service providers to administer, manage and operate the Trust. Good plan governance is essential to making sure all members (27,600+) and their dependents continue to benefit from valuable programs that support their health and well-being now and into the future.

Who is involved?



Plan sponsors (BCPSEA and CUPE)

Responsible for appointing the Board of Trustees



Board of Trustees

Governs and provides overall strategic direction to the PEBT

2024 BOARD OF TRUSTEES	
MEMBER TRUSTEES	EMPLOYER TRUSTEES
- Tracey Dahlin CUPE LOCAL 703 - Irene Schoemaker CUPE LOCAL 561 - Debbie Mohabir CUPE LOCAL 15 - Kyle Clark CUPE LOCAL 523 - Harpinder Sandhu CUPE NATIONAL SERVICING REPRESENTATIVE - Kirsten Daub CUPE NATIONAL SERVICING REPRESENTATIVE	- Lorelei Russell SD 39 (VANCOUVER) - Alan Chell SD 19 (REVELSTOKE) - Kyle Uno SD 36 (SURREY) - Ryan Hung SD 69 (QUALICUM) - Bruce L. Anderson BCPSEA - Rachael Green SD 33 (CHILLIWACK)

DID YOU KNOW?

Each Trustee serves a three-year term – with staggered expiry dates – to ensure continuity at the Board level.



Committees

To keep the Board efficient, the PEBT has created a number of committees to deal with specific areas of the PEBT’s ongoing administration. This includes JEIS/LTD, Finance and Audit, Investment, Administration, Plan Design and Litigation. These committees meet on a regular basis (or as needed), providing updates and recommendations to the full Board for discussion and formal adoption.

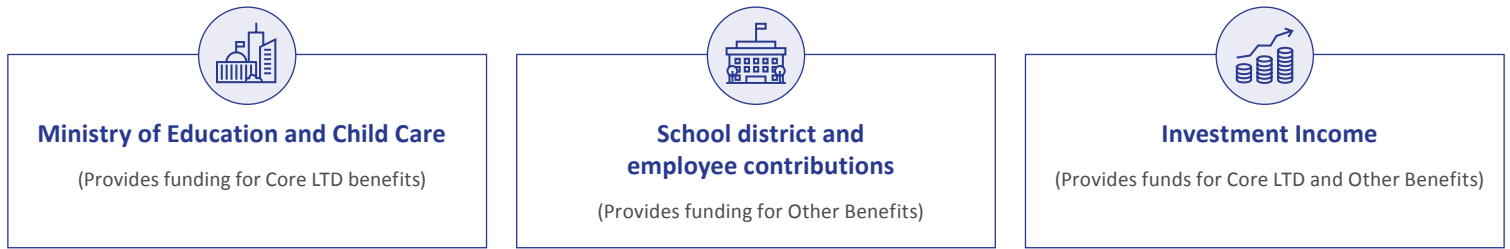


Everyone Benefits from the PEBT

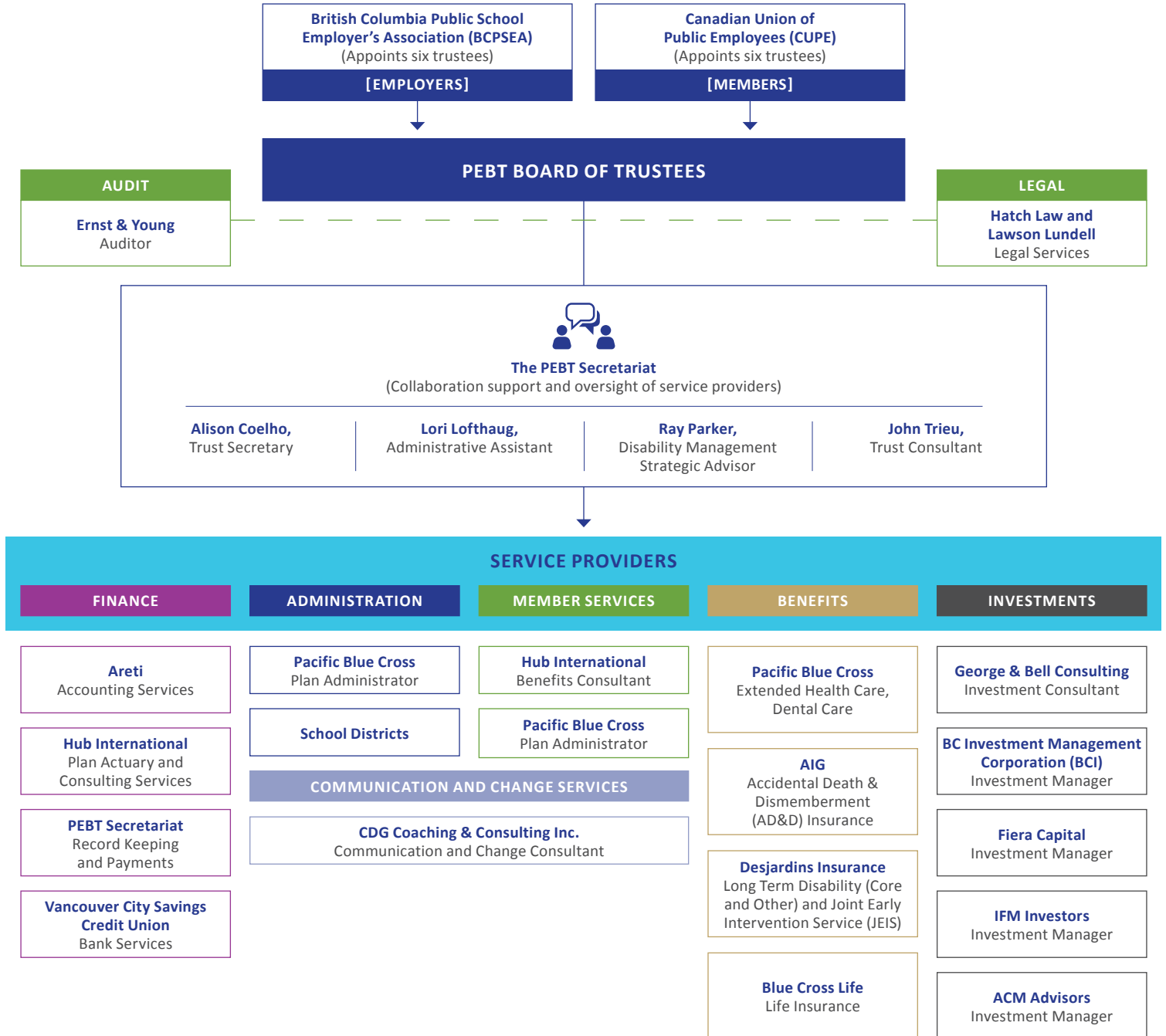
Members, school districts and local unions all benefit from the creation of the PEBT.

- Members** have access to the JEIS program to support making a safe and timely return to work as well as financial support in the event of a longer term illness or injury. The “Core” LTD program includes an ad-hoc cost of living adjustment and the members’ costs for extended health and dental coverage are paid for by the program for the first two years of a disability claim.
- School Districts** costs are reduced as the JEIS and LTD programs are 100% funded by the PEBT and provide services and supports that might otherwise be the responsibility of the district. These programs are designed to support members with a safe and timely return to work, which reduces sick leave and replacement worker costs, while increasing workplace productivity and engagement. These benefits and the nature of the joint Trust also provide a competitive advantage for attracting and retaining employees.
- Union Locals** have more control and opportunities to provide feedback about the services provided due to the joint nature of the Trust. Access to information about the operations and financial position of the benefits programs is better compared to an employer sponsored plan and there is more collaboration with locals to identify supports required by members for their recovery and return to work.

How the PEBT is funded



How the PEBT operates

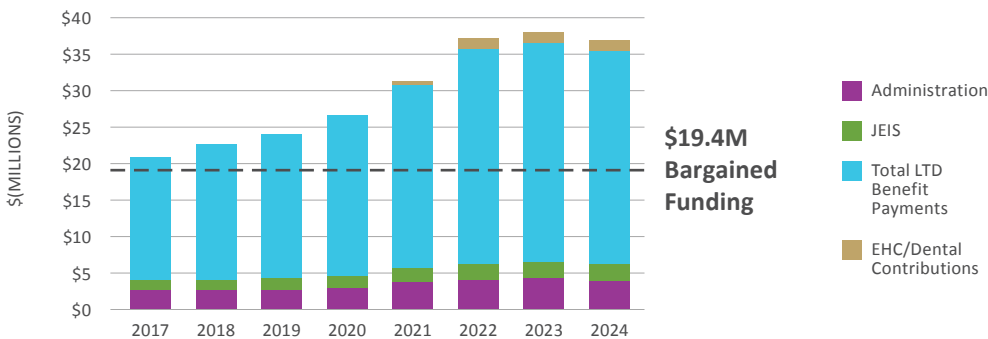


The Board of Trustees selects best-in-class service providers to support the management and operations of the PEBT.

2024 in review

Financial Update

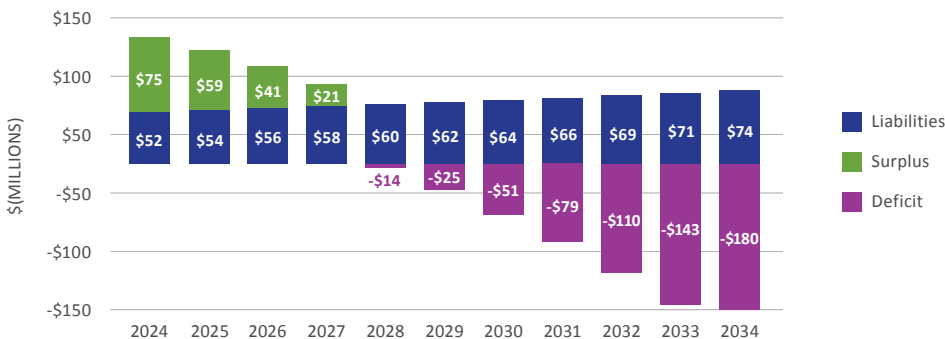
The PEBT investment portfolio performed well in 2024 with the introduction of more diversification to increase returns and reduce risk (see page 12 of this report for more information on our investment portfolio). Total liabilities remained stable compared to the prior year with a slight increase in LTD claims offset by an increasing number of claim terminations, lower reserve requirements and lower expenses. Despite these positive outcomes, as well as generating operational efficiencies and managing our administrative costs, the total annual costs of the JEIS and LTD programs continue to be greater than the annual government funding and we are required to draw from our accumulated surplus funds to ensure we deliver our program and disability benefits to members:



Like other disability programs, the PEBT is not immune to LTD cost increases; however, are further impacted by external factors due to our current, unique, defined funding structure, which has essentially not changed since our inception in 2002. These external factors include:

- Increase in covered members and higher wages
- Cost of services from benefit providers
- ICBC legislation change

Strong governance procedures are in place to ensure our funding position is closely monitored so appropriate actions can be taken to protect the sustainability of the plan. To this end, the PEBT annually performs a funding projection over a 10-year period to evaluate our financial position. Below we have provided the latest projection in 2024.



While the “Core” LTD Program is not projected to be in an unfunded position for a few more years, the PEBT Board of Trustees have already started discussions with the Settlers (i.e. CUPE and BCPSEA) and the Province to identify deficiencies with the current funding model and proactively work together on a short and long-term solution. We have also developed contingency action plans and continue to carefully monitor the funding position of the “Core” LTD Program in an effort to balance the needs of our members with sustainability of the plan.

AN OVERVIEW OF THE PLAN’S PERFORMANCE IN 2024

\$149,621,000

Value of the Trust’s investments

\$64,590,000

Total actuarial liabilities for all benefits (LTD, Extended Health, Dental, Group Life Waiver of Premium)

\$36,600,000

Cost of JEIS and LTD

\$19,428,240

Bargained funding provided by the provincial government annually to fund the “Core” LTD program

4,416

Active JEIS cases

646

LTD claims approved

1,985

Members currently on LTD

+12.2%

One-year investment return – higher than benchmark of +11.5%

Benefits Administration Transition Project Completed

The transition to a direct-to-insurer model was completed May 1, 2024 with Pacific Blue Cross (PBC) providing an administration system for all benefits. The PEBT Secretariat and PBC provided regular communication updates, Q&A sessions, and a comprehensive administration reference guide to support districts after the transition. We want to thank the district benefits administrators for their engagement and participation during the transition to the new system and their diligence reviewing the configuration and data within the administration system. Looking ahead, the PEBT will continue to work collaboratively with PBC to ensure appropriate service levels, and advocate for system enhancements to increase efficiencies and a more positive user experience for district benefits administrators.

Update on our 2024 initiatives

Return to Work Outcomes

In 2024, we focused on improving return-to-work outcomes in the JEIS and LTD programs by working with school districts and unions to review processes, identify bottlenecks, strengthen data collection, and share effective practices across the province.

Rise in Complex Disabilities

Each year, about one in five eligible support staff are referred to JEIS following an illness or injury-related absence of six days or more. A continued trend in 2024 was the rise in complex disability absences, often linked to mental health challenges, limited access to timely healthcare, and external pressures such as housing instability, caregiving responsibilities, and affordability issues. These absences are harder to diagnose, treat, and manage, making early and coordinated support more important than ever. Without timely intervention, they are more likely to become prolonged or lead to long-term disability. Early, consistent, and compassionate engagement builds trust, improves motivation, and significantly increases the likelihood of a successful return to work.

District and Local Union Support is Key

To sustain and strengthen the JEIS and LTD programs, both school districts and unions play a vital role at key points in the member's absence. This starts with clear communication when the absence begins—helping members understand their benefits, next steps, and the importance of early participation in JEIS. For many, reassurance and coordinated support from both the district and local union is essential to encouraging engagement and supporting recovery.

Tools and Resources Available

We will be expanding the tools and resources available to school districts and unions. This includes:

- Ongoing professional development and orientation sessions for new JEIS Committee members
- A comprehensive JEIS referral toolkit with clear steps and guidance for supporting members early in their absence
- Recommended best practices for maintaining appropriate contact with absent members to foster connection and encourage return to the workplace
- A new return-to-work toolkit designed to help support members with complex absences, including resources for principals, supervisors, and coworkers

By strengthening the capacity of school districts and union locals to support members at every stage, we can improve outcomes, help more staff return to safe and meaningful work, and ensure the long-term sustainability of JEIS and LTD.

SUCCESS STORY

Returning to Work with Compassion and Support

In her early fifties, an Education Assistant (EA) was referred to the JEIS program due to mental health challenges brought on by caregiver stress. She had been struggling to balance the emotional demands of supporting her mother, who had recently been diagnosed with early-onset dementia, while also managing her own well-being.

Through JEIS, she was quickly connected with counselling and received consistent support to help her navigate her situation and prepare for a return to work. The JEIS team also worked closely with her principal to create a thoughtful and supportive return-to-work plan.

The principal stayed connected during her absence with kind, low-pressure messages, and was fully engaged in making her return a positive experience. Before she came back, the principal coached coworkers to avoid intrusive questions and instead offer quiet, respectful support. On her first day back, she was welcomed warmly and without pressure.

This coordinated approach made all the difference. Feeling respected, understood, and supported gave her the confidence to remain at work. She credits JEIS—and the compassion shown by her principal and school team—with helping her get through a difficult time and return to meaningful work.

JEIS: supporting members in their return to work

A caring, safe and timely recovery for ill or injured plan members is the foundation of the JEIS: a confidential service that supports and facilitates plan members’ return to work.

The JEIS Program...

- Provides early identification of member needs and active, caring treatment of health issues
- Encourages early referral from school districts for absences expected to be longer than six consecutive working days
- Is supported by unions, school districts and the PEBT
- Is funded by the provincial government through the “Core” LTD
- Ensures the long-term sustainability of the “Core” LTD program

JEIS/LTD Strategic Plan

Key Performance Indicators

	2023	2024
1. Return-to-work percentage by the 120 th day	67%	69%
2. Return-to-work percentage by the 300 th day	74%	69%
3. Members indicating ‘good’ or ‘very good’ or ‘neutral’ in surveys asking, ‘How well did Desjardins Insurance involve me in my return to work?’	95%	83%
4. District Joint Committees indicating ‘good’ or ‘very good’ in surveys about overall experience with the PEBT JEIS and LTD programs	83%	82%
5. Members indicating ‘good’ or ‘very good’ for overall experience in JEIS and LTD surveys	85%	78%
6. Average number of days for JEIS referrals	7	8
7. On-time payment rate for new LTD claims	95%	87%
8. Annual JEIS and LTD audit scores	85% - JEIS 81% - LTD	86% - JEIS 83% - LTD
9. Members contacted within 24 hours by HCMS	94%	93%
10. Average month-end overdue LTD tasks - Desjardins	30	71



JEIS 2024 PERFORMANCE

5%

Increase in members referred to JEIS in 2024 compared to 2023 (4,416 vs. 4,208)

\$56,046

Increase in JEIS program costs compared to 2023 (\$2,337,593 vs. \$2,281,547)

11

Total number of Health Care Management Specialists (HCMS) dedicated to the PEBT

Support Better Outcomes— Schedule a PEBT Pro-D Presentation

To ensure your support staff are well informed and feel confident engaging with the JEIS program, we strongly encourage school districts and local unions to schedule a PEBT Pro-D presentation. This one-hour session—available virtually or in-person—raises awareness of JEIS and improves participation rates.

Each year, about 20% of eligible support staff are referred to JEIS. Yet many members are still unaware of how the program works. Our surveys consistently show that a lack of program awareness lowers both satisfaction and participation. Without a basic understanding of JEIS, members may ignore calls or feel confused and stressed about what to expect.

In the Pro-D session, we explain how JEIS works and give real examples of support available for mental health challenges, physical conditions, and substance use disorders. After attending, members are more likely to respond quickly to calls from the Healthcare Management Specialist, participate in JEIS, get the help they need, and return to work as safely and as soon as possible.

To reach new staff and reinforce awareness, we recommend scheduling a presentation every two years. Visit pebt.ca to book your next session and help ensure your team gets the support they deserve.

LTD: providing valuable income protection

When a member is unable to return to work due to illness or injury, the LTD benefit is designed to provide income protection so members can fully focus on recovery.

The monthly “Core” LTD benefit is 70% of a member’s earnings, which is funded by contributions from the provincial government. This benefit may be reduced by other sources of income, such as Canada Pension Plan (CPP) benefits. In addition to the “Core” LTD benefit, some school districts/ union locals provide “Other” LTD programs to eligible members where previous arrangements or joint agreements are in place that provide for coverage above the “Core” benefit offered through the PEBT.

Sustaining the Long-Term Disability Plan: Progress and Evolving Realities

The PEBT long-term disability (LTD) plan continues to play a vital role in supporting members through some of the most difficult times in their lives. Since 2003, the plan has provided essential income and access to treatment, helping thousands of members return to meaningful work and regain stability. The ripple effects extend far beyond the individual—benefiting schools, students, and the broader community.

Over the past year, we’ve continued to see progress, including a steady increase in the number of members successfully returning to work with accommodations. These include not only those recovering from physical injuries, but also members navigating mental health challenges, chronic illnesses, or caregiving responsibilities.

At the same time, financial pressures are growing. More members, higher salaries, and longer, more complex absences are driving up costs—particularly in the area of mental health. Despite these rising costs, government funding for the LTD program has not increased.

LTD 2024 PERFORMANCE

65

Increase in total active LTD claims compared to 2023 (1,985 vs. 1,920)

886

Members currently on LTD leave for less than five years

1,099

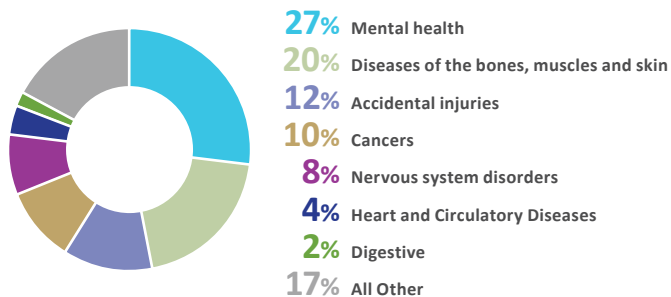
Members currently on LTD leave for longer than five years

SUCCESS STORY

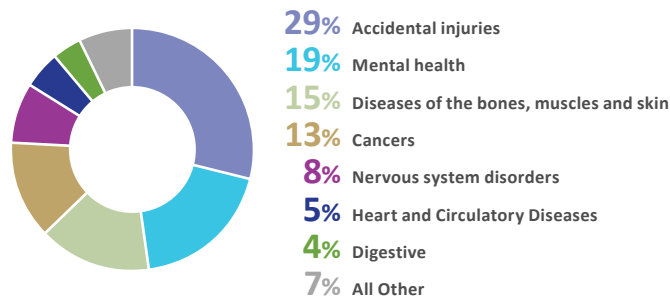
A school custodian on Vancouver Island returned to work after being off with cancer. With modified duties and a flexible schedule coordinated through JEIS and LTD, he was able to rejoin the workplace while continuing treatment. His supervisor checked in weekly, and coworkers adjusted their routines to support his gradual reintegration. He later said, “I wasn’t just coming back to a job—I was coming back to a team that made space for me.”

These types of success stories show what’s possible when we work together to maintain connection and create supportive, realistic pathways back to work. They also reinforce the need for ongoing investment and collaboration to ensure the long-term sustainability of the LTD plan for the years ahead.

CAUSES OF DISABILITY – 2024 ACTIVE BENEFIT CLAIMS



CAUSES OF DISABILITY – 2014 ACTIVE BENEFIT CLAIMS



As indicated in the above charts, over the past decade, the incidence of mental health and diseases of the bones, muscles and skin claims have increased notably, while accidental injuries have shown a marked reduction.

Other benefits: supporting members’ health and well-being

In addition to the JEIS and LTD programs, the PEBT also supports plan members’ health and well-being through other benefits, including:



Basic and
Optional Life
Insurance



Basic and
Optional
Accidental
Death and
Dismemberment
(AD&D)
Insurance



Dental Care



Extended
Health Care
(including
Medical
Referral
and Travel,
where
applicable)

OTHER BENEFITS 2024
PERFORMANCE

Life Insurance:

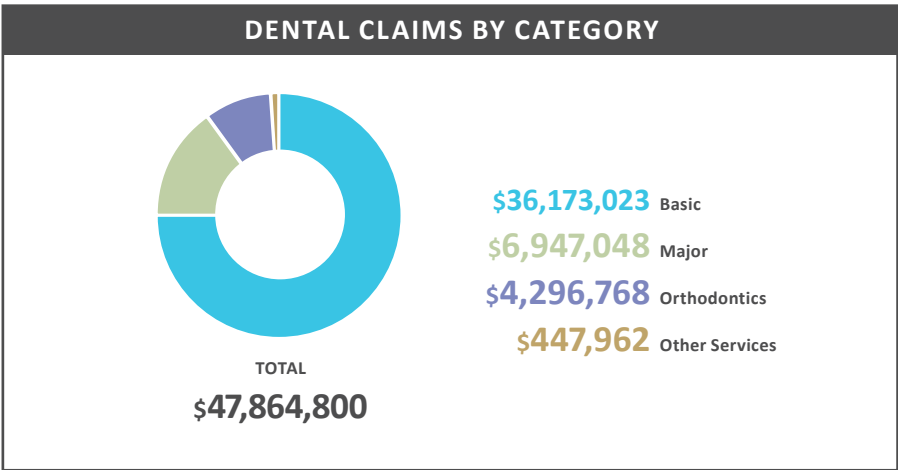
\$3,189,033

Basic and Optional Life claims paid in 2024 (\$3,447,250 in 2023)

AD&D Insurance:

\$0

Basic and Optional AD&D claims paid in 2024 (\$198,450 in 2023)



Dental Care:

\$47,864,800

Dental care claims paid in 2024

11%

Increase in dental care costs compared to 2023



Other benefits: supporting members’ health and well-being (CONTINUED)

How the PEBT helps manage costs to keep benefits sustainable

The cost to provide benefits continues to rise in Canada due to an aging population and more expensive treatments. The PEBT is taking active measures to keep the plan administration and claims costs sustainable, while still providing care required by the members. Some of these measures include:

- Since January 1, 2022, the PEBT now self-insures a secondary pool for EHC claims exceeding \$25,000 up to \$100,000. For all claims incurred by an individual in a calendar year that exceed \$100,000, a catastrophic stop loss pool limit was introduced that is fully insured by PBC. Due to the more favourable risk-sharing arrangement, the PEBT has generated underwriting profits of \$2.6M within the EHC plan based on PBC’s financial reporting for the period ending December 31, 2024, resulting in lower EHC administration fees charged to districts/locals.
- Performing a targeted market survey for the Accident benefits offered under the PEBT, resulting in a lengthy guarantee and stabilization of the current rates until June 30, 2025.
- Partnering with benefits providers who help control costs, and who can provide a managed drug formulary such as Blue RX, which was collectively bargained as part of the Unionized Support Staff Provincial Standardized EHC Plan. Blue RX is a list of covered drugs that is reviewed regularly to ensure any new drugs are both clinically proven and cost effective before they are added to the plan.
- Generating additional income from investments of reserves to offset costs.

Extended Health Care (EHC)
(including Medical Referral
and Travel):

\$64,002,529

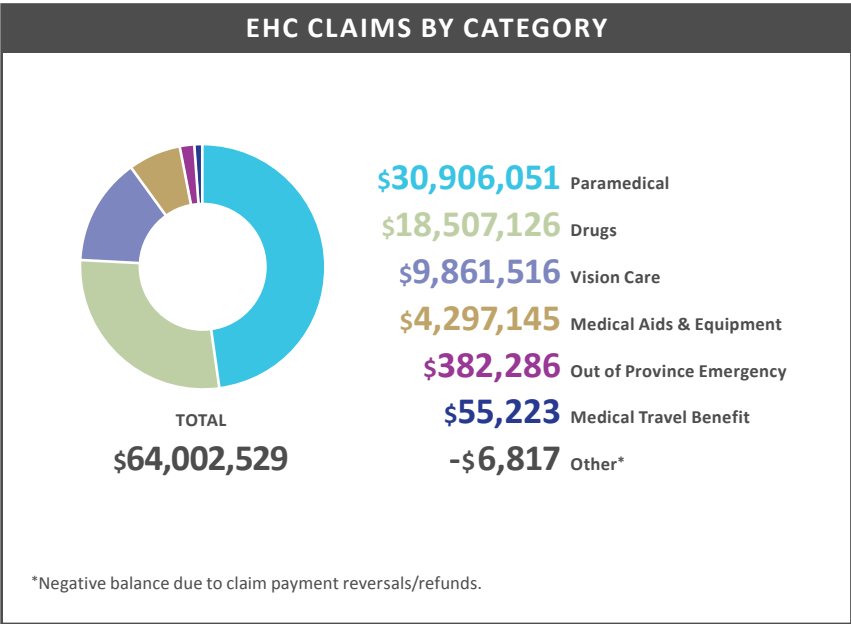
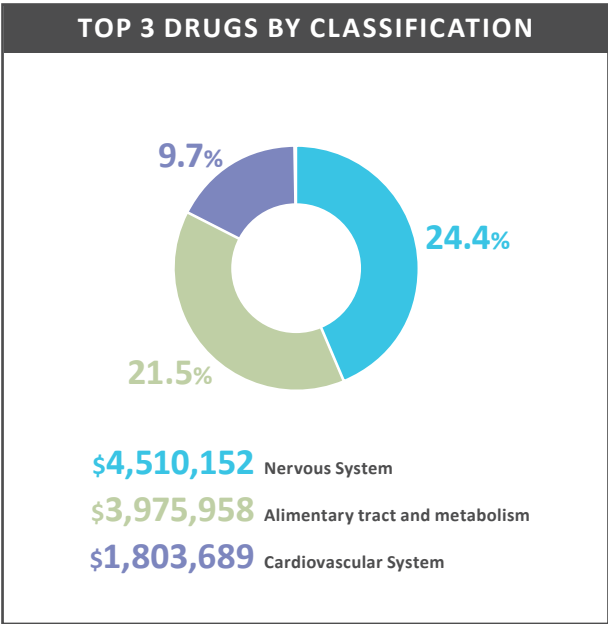
Extended Health Care claims paid
in 2024

13%

Increase in Extended Health Care costs
compared to 2023

30%

Decrease in drug costs for plans using
the Blue RX formulary compared to
groups with an open formulary



Making money last longer

One of the other benefits of the Trust is the generation of additional income from investments of reserves – this helps the PEBT maintain benefits for the “Core” LTD and subsidize operating expenses incurred to manage the Trust.

The PEBT has two main objectives for its investments:

1. Generate investment earnings of at least 5.5% on average each year, over a 5-year period
2. Reduce the risk of losing capital in any year

Changes to the portfolio’s asset mix were made at the end of 2023 to introduce more diversification to increase returns and reduce risk. These changes resulted in positive investment returns for 2024 that enabled the portfolio to meet the PEBT’s 5.5% 5-year investment objective. Despite these positive results, JEIS and LTD program costs are much greater than the \$19.4 million annual funding provided by the government and assets are regularly redeemed from the investment portfolio to pay for benefits and operational expenses. This also means there are less funds invested each year to generate the income required to cover the gap between costs and annual funding.



PEBT INVESTMENTS IN 2024

+12.2%

One-year investment return – higher than benchmark of +11.5%. The PEBT continues to meet its objectives by earning 6.2% over the last 5 years.

\$149,621,000

Value of the Trust’s investments as at December 31, 2024.

\$6,082,000

Decrease in the Trust's investments compared to 2023. Includes investment returns and fund withdrawals.

For more details on the PEBT’s investments and policies, please see [Appendix 2](#).



Important notice

All the terms of the PEBT are set out exclusively in the official plan documents. While the annual report summarizes certain terms of the plan, this annual report does not change or supplement the official plan documents in any manner whatsoever. In the event there is a discrepancy between this annual report and the official plan documents, the official plan documents will prevail.

Appendices

Appendix 1:

Audited financial statements

Public Education Benefits Trust Fund

Financial statements
December 31, 2024



Shape the future
with confidence

Independent auditor's report

To the Trustees of the
Public Education Benefits Trust Fund

Opinion

We have audited the financial statements of the **Public Education Benefits Trust Fund** [the "Fund"], which comprise the statement of financial position as at December 31, 2024, and the statement of changes in net assets available for benefits and the statement of changes in actuarial obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024, and its changes in net assets available for benefits and its changes in actuarial obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees and those charged with governance for the financial statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vancouver, Canada
June 12, 2025

Ernst & Young LLP

Chartered Professional Accountants

Public Education Benefits Trust Fund

Statement of financial position

As at December 31

	Core LTD program \$	Addiction treatment \$	Other LTD benefits \$	Return to work program \$	Extended health \$	Dental \$	AD&D \$	Optional AD&D \$	Life \$	Optional life \$	2024 Total \$	2023 Total \$
Assets												
Cash (bank indebtedness)	7,485,790	2,228,561	123,088	—	13,478,549	269,484	1,753,234	518,058	3,198,225	1,448,779	30,503,768	18,683,160
Restricted cash [note 4]	—	—	—	—	5,732,495	7,047,105	—	—	—	—	12,779,600	17,446,026
Investments at fair value [note 5[a]]	126,341,521	—	—	—	—	—	—	—	23,279,628	—	149,621,149	155,703,049
Due from other benefits	46,470	—	—	—	—	—	—	—	—	—	46,470	81,407
Contributions receivable	—	—	—	—	—	—	—	—	—	—	—	5,338,389
Prepaid benefit and premium costs	—	—	—	—	—	—	—	—	—	—	—	691,236
Prepaid expenses and other receivables	389,556	—	—	—	—	—	—	—	—	—	389,556	—
Claims fluctuation account [note 7]	—	—	—	—	—	—	—	—	571,081	—	571,081	396,015
Total assets	134,263,337	2,228,561	123,088	—	19,211,044	7,316,589	1,753,234	518,058	27,048,934	1,448,779	193,911,624	198,339,282
Liabilities												
Accounts payable and accrued liabilities	241,292	—	—	—	—	—	—	—	—	—	241,292	281,065
Due to Broker	—	—	—	—	—	—	—	—	—	—	—	9,100,000
Benefit and premium costs payable	5,703,017	—	23,313	—	5,883,988	3,766,317	—	—	352,358	9,051	15,738,044	17,312,239
Due to Core LTD	—	—	129	—	25,420	19,443	64	—	1,414	—	46,470	81,407
Deferred contributions [note 6]	—	—	152,056	—	464,575	—	—	—	—	—	616,631	160,764
Provision for claim reserves [note 8]	48,315,000	—	—	—	2,236,000	2,049,000	—	—	11,990,000	—	64,590,000	64,125,000
Total liabilities	54,259,309	—	175,498	—	8,609,983	5,834,760	64	—	12,343,772	9,051	81,232,437	91,060,475
Net assets available for benefits	80,004,028	2,228,561	(52,410)	—	10,601,061	1,481,829	1,753,170	518,058	14,705,162	1,439,728	112,679,187	107,278,807

See accompanying notes

On behalf of the Board:


 Alan Chell PEBT, Employer Trustee


 Irene Schoemaker PEBT, Member Trustee

Public Education Benefits Trust Fund

Statement of changes in net assets available for benefits

Year ended December 31

	Core LTD program \$	Addiction treatment \$	Other LTD benefits \$	Return to work program \$	Extended health \$	Dental \$	AD&D \$	Optional AD&D \$	Life \$	Optional life \$	2024 Total \$	2023 Total \$
Increase in net assets												
Contributions												
Province of British Columbia	19,428,240	1,000,000	—	—	—	—	—	—	—	—	20,428,240	19,428,240
School districts	—	—	182,273	—	69,109,827	51,024,309	129,148	190,662	4,051,972	80,768	124,768,959	102,186,945
Investment income												
Interest and dividends <i>[note 5[b]]</i>	5,518,791	87,024	—	—	402,448	298,404	—	—	1,748,377	—	8,055,044	5,364,699
Realized gains (losses) <i>[note 5[b]]</i>	2,414,221	—	—	—	—	—	—	—	434,582	—	2,848,803	6,166,015
Unrealized gains (losses)	7,447,633	—	—	—	—	—	—	—	1,267,159	—	8,714,792	5,217,388
Other income	—	—	—	—	—	—	—	—	—	—	—	76,089
Total increase in net assets	34,808,885	1,087,024	182,273	—	69,512,275	51,322,713	129,148	190,662	7,502,090	80,768	164,815,838	138,439,376
Decrease in net assets												
Benefits costs												
Change in claim reserves	(208,000)	—	—	—	312,000	245,000	—	—	116,000	—	465,000	(481,000)
Claims paid	19,354,121	—	—	—	63,738,299	47,861,366	—	—	—	—	130,953,786	119,717,572
Insurance premiums												
Durational pooling	8,081,229	—	—	—	—	—	—	—	—	—	8,081,229	8,258,915
Other <i>[note 9]</i>	1,866,001	—	315,307	—	—	—	108,900	191,929	4,104,421	85,691	6,672,249	6,415,462
Administration	1,373,114	—	745	1,533,809	3,613,486	1,336,823	373	—	31,710	—	7,890,060	8,167,691
Medical reports and other	996,826	—	—	803,784	—	—	—	—	—	—	1,800,610	1,682,959
EHC/Dental contributions for disabled members	1,157,367	—	—	—	—	—	—	—	—	—	1,157,367	1,059,312
Medical monitoring	—	44,999	—	—	—	—	—	—	—	—	44,999	21,879
Operating costs												
Advisory services	108,532	—	792	—	156,461	119,623	396	—	10,299	—	396,103	388,337
Communications	3,087	—	—	—	—	—	—	—	—	—	3,087	4,394
Bank charges	1,645	—	—	—	2,696	—	—	—	—	—	4,341	1,585
Consulting and actuarial fees <i>[note 10]</i>	113,071	—	558	—	110,187	84,244	279	—	7,253	—	315,592	342,847
Investment management fees	416,707	—	—	—	—	—	—	—	72,708	—	489,415	478,801
Office	2,850	—	—	—	—	—	—	—	—	—	2,850	28,961
Professional fees <i>[note 10]</i>	806,591	—	—	—	—	—	—	—	—	—	806,591	854,629
Special project	47,487	—	—	—	—	—	—	—	—	—	47,487	41,989
Transition project	48,491	—	310	—	61,261	46,838	155	—	4,032	—	161,087	—
Trustee costs												
Trustee travel and meetings	116,831	—	—	—	—	—	—	—	—	—	116,831	69,539
Wages and benefits	6,774	—	—	—	—	—	—	—	—	—	6,774	29,011
Total decrease in net assets	34,292,724	44,999	317,712	2,337,593	67,994,390	49,693,894	110,103	191,929	4,346,423	85,691	159,415,458	147,082,883

Public Education Benefits Trust Fund

Statement of changes in net assets available for benefits [cont'd]

Year ended December 31

	Core LTD program \$	Addiction treatment \$	Other LTD benefits \$	Return to work program \$	Extended health \$	Dental \$	AD&D \$	Optional AD&D \$	Life \$	Optional life \$	2024 Total \$	2023 Total \$
Increase (decrease) in net assets												
Net excess (deficiency) before undernoted	516,161	1,042,025	(135,439)	(2,337,593)	1,517,885	1,628,819	19,045	(1,267)	3,155,667	(4,923)	5,400,380	(8,643,507)
Transfers	(2,337,593)	—	—	2,337,593	—	—	—	—	—	—	—	—
Net increase (decrease) in net assets	(1,821,432)	1,042,025	(135,439)	—	1,517,885	1,628,819	19,045	(1,267)	3,155,667	(4,923)	5,400,380	(8,643,507)
Net assets available for benefits, beginning of year	81,825,460	1,186,536	83,029	—	9,083,176	(146,990)	1,734,125	519,325	11,549,495	1,444,651	107,278,807	115,922,314
Net assets available for benefits, end of year	80,004,028	2,228,561	(52,410)	—	10,601,061	1,481,829	1,753,170	518,058	14,705,162	1,439,728	112,679,187	107,278,807

See accompanying notes

Public Education Benefits Trust Fund

Statement of changes in actuarial obligations

Year ended December 31

	Core LTD program \$	Addiction treatment \$	Other LTD benefits \$	Return to work program \$	Extended health \$	Dental \$	AD&D \$	Optional AD&D \$	Life \$	Optional life \$	2024 Total \$	2023 Total \$
Changes in actuarial obligations												
Benefits accrued	26,852,000	—	—	—	—	—	—	—	4,296,000	—	31,148,000	28,798,000
Benefits plus expenses paid	(20,754,000)	—	—	—	—	—	—	—	(2,090,000)	—	(22,844,000)	(22,747,000)
Interest accrued on benefits	2,098,000	—	—	—	—	—	—	—	563,000	—	2,661,000	2,447,000
Effect of experience gain or loss	(8,196,000)	—	—	—	—	—	—	—	(2,769,000)	—	(10,965,000)	(8,498,000)
Effect of demographic changes	1,413,000	—	—	—	—	—	—	—	357,000	—	1,770,000	(1,119,000)
Effect of change in valuation basis	(1,342,000)	—	—	—	—	—	—	—	—	—	(1,342,000)	(592,000)
Total increase in actuarial obligations	71,000	—	—	—	—	—	—	—	357,000	—	428,000	(1,711,000)
Actuarial obligations, beginning of year	35,097,000	—	—	—	—	—	—	—	9,127,000	—	44,224,000	45,935,000
Actuarial obligations, end of year	35,168,000	—	—	—	—	—	—	—	9,484,000	—	44,652,000	44,224,000
Incurred but not reported component of claim reserves	13,147,000	—	—	—	2,236,000	2,049,000	—	—	2,506,000	—	19,938,000	19,901,000
Provision for claim reserves, end of year	48,315,000	—	—	—	2,236,000	2,049,000	—	—	11,990,000	—	64,590,000	64,125,000

See accompanying notes

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

1. Description of trust

The following description of the Public Education Benefits Trust Fund [the "Trust" or "Plan"] is a summary only. For more complete information, reference should be made to the Trust Agreement, the Plan Text and the relevant collective agreements.

General

The Trust was created by a Trust Agreement on June 28, 2002. The Trust provides health and welfare benefits for certain employees of School Boards of British Columbia, and their dependents, who are members of the support staff union. The Trust was created in accordance with the recommendations issued by the Industrial Inquiry Commission appointed by the British Columbia Minister of Labour.

The intention of the Trust is to provide the following health and welfare benefits:

- [a] Long-term disability ["LTD"] benefits;
- [b] Early return to work benefits;
- [c] Hospital, surgical, medical, dental, eyeglass, pharmaceutical, anaesthetic, diagnostic, and other private health service benefits;
- [d] Accidental death and dismemberment benefits ["AD&D"]; and
- [e] Group life benefits.

Participating School Board employers are required to participate in the Trust's Core LTD program, and if they also provide other benefits to their employees, then these additional benefits must be provided through the Trust's other benefits programs.

Under the Trust Agreement, certain cash balances of the Trust are commingled for investment purposes, but a continual accounting of the assets of the Trust is maintained for each benefit for the purpose of monitoring the actuarial experience of each benefit. Interest income is allocated to each benefit program based on the specified percentages approved by the Trustees. Inter-benefit transfers are made with the intention of repayment to the originating benefit program with an appropriate return.

Expenses that can be reasonably identified as pertaining to a particular benefit are allocated to that benefit program. All other expenses are allocated to the Core LTD program. Expenses incurred in respect of the Core LTD program and general expenses, which cannot clearly be identified as having been incurred exclusively in connection with benefits other than Core LTD, shall be charged to the Core LTD program.

Where the actuary identifies an actuarial surplus attributable to the Core LTD program, the Trust Agreement allows the use of the portion of such surplus attributable to investment income to reduce or eliminate implementation costs attributable to other benefits.

Where the actuary identifies an actuarial deficit attributable to other benefits such as the other LTD benefits program, the Trust Agreement requires that, on the actuary's advice, the level of contributions be increased in an amount actuarially determined to be necessary to eliminate such a deficit.

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

Funding policy

Under the terms of the Trust Agreement, the Trust is funded by the Province of British Columbia [the "Province"] for the Core LTD program and by contributions from employers and/or employees for other programs. Early return to work program expenses are paid out of government LTD funding for Core LTD benefits.

In accordance with the Trust Agreement and the May 2006 collective bargaining agreement, the Province contributes \$19,428,240 to the Trust annually for the purpose of funding the Core LTD program for certain employees of School Boards of British Columbia, and their dependents, who are members of the support staff union.

During the year ended December 31, 2024, the Trust received a one-time funding amount of \$1,000,000 under an agreement with the Government of British Columbia to be utilized for addiction treatment support programs.

Income tax status

The Trust is registered with the Canada Revenue Agency and, as such, the Trust is subject to income taxes on investment income after deducting the expenses in relation to the operations of the Trust. The resulting calculation of this method of taxation has resulted in the Trust paying nil income taxes in 2023 and 2024.

2. Basis of presentation

These financial statements have been prepared on a going concern basis and in accordance with Part IV of the *CPA Canada Handbook – Accounting*, Section 4600, "Accounting Standards for Pension Plans" ["Section 4600"].

In accordance with Section 4600, accounting policies of the Trust that do not relate to its investment portfolio and provision for claim reserves comply on a consistent basis with Canadian accounting standards for private enterprises in Part II of the *CPA Canada Handbook – Accounting*, to the extent that those standards do not conflict with the requirements of Section 4600.

To satisfy the fair value measurement requirements in Section 4600 for the investment portfolio, the Trust follows International Financial Reporting Standard 13, *Fair Value Measurement*.

These financial statements are prepared using the accrual basis of accounting.

3. Summary of significant accounting policies

Financial instruments

Financial instruments are measured at fair value on initial recognition. Financial assets include cash, restricted cash, short-term investments and investments, which are subsequently measured at fair value. Contributions receivable are subsequently measured at amortized cost. Accounts payable and accrued liabilities and benefit and premium costs payable are subsequently measured at amortized cost.

Transaction costs are expensed as incurred.

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

Investments

Investment transactions are recorded as of the trade date. Investments are measured at fair value. Fair value is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of investment assets held in units of pooled funds is determined based on fair value information provided by the fund administrators. Interest income is recorded on the accrual basis, recognizing interest as it is earned. The net change in fair value of investments for the year is reflected in investment income in the statement of changes in net assets available for benefits. When pooled investments are charged investment management fees and those fees comprise a portion of the net asset value of the investment fund, the Trust's portion of the expense is reflected within the valuation of investments held.

Revenue recognition

Contributions are recognized on the accrual basis of accounting.

Realized investment income

Realized investment income consists of interest, dividends and the gain on sale of securities. Interest income is recognized as it accrues. Dividend income is recognized at the ex-dividend date. Gains on the sale of securities are recognized on a trade date basis.

Unrealized investment income

The Trust records unrealized investment income as the difference between the fair value and book value of investments. Fair value is the quoted market price of a financial instrument traded in an active and liquid market. For financial instruments not traded in an active market, the fair value is determined using appropriate and reliable valuation techniques. Such techniques may include recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, and discounted cash flow analysis or other valuation models.

Plan benefits

Benefits received by members under the terms of collective agreements are paid under insured contracts and administrative services only contracts. The Core LTD program, return to work program, extended health and dental benefits are provided under administrative services only contracts. Other LTD, life and AD&D benefits are provided under insured contracts. Group life is administered on a cost recovery basis.

Subject to underwriting agreements, the Trust has entered into risk sharing arrangements with insurance carriers. The Trust has entered into a pooling arrangement with Desjardins Financial Security Life Assurance Company for Core LTD benefits, whereby the Trust pays for the first 60 months of benefits, and the insurance carrier pays for any amounts beyond 60 months.

The Trust has catastrophic insurance coverage under life benefits.

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

Claims fluctuation account and unrestricted deposit account

The Trust is required to fund the claims fluctuation account under basic life benefits. The excess over the required amount, if any, is transferred to the unrestricted deposit account. The Trust has full access to the amount outstanding in the unrestricted deposit account. The amount in the claims fluctuation account at December 31, 2024 was \$571,081 [2023 – \$396,015].

Provision for claim reserves

The provision for claim reserves is prepared by the Trust's actuary and comprises the following:

- [a] An estimated amount of claims to be submitted for services rendered and benefits incurred prior to December 31, 2024;
- [b] An estimated amount of the future costs of claims approved and expected claims to be approved relating to claims incurred prior to December 31, 2024 and not yet reported; and
- [c] An estimated amount of disability waiver premiums and claims for employees who are on disability leave and for whom premiums are not paid to the benefit providers.

The process of estimating claim reserves involves an estimate of future claims based on prior claim history. The actual amounts of claims expenses cannot be determined until all claims have been submitted and processed.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of changes in net assets available for benefits and actuarial obligations during the year. In particular, significant estimates are required in the determination of the provision for claim reserves. Actual results could differ from those estimates.

4. Restricted cash

Restricted cash consists of cash balances held in accounts with a Canadian financial institution. The restricted cash has been received from the school districts and is held for payments of future claims made for extended health and dental coverage.

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

5. Investments and realized investment income

[a] Summary by type of investment

	2024	2023
	\$	\$
Canadian equity pooled funds	15,913,577	14,419,489
International equity pooled funds	30,120,992	30,090,763
Fixed income pooled funds	43,079,554	70,934,386
Canadian money market funds	4,505,234	4,177,518
Mortgage funds	25,381,663	7,800,000
Global infrastructure funds	30,620,129	28,280,893
	149,621,149	155,703,049

[b] Realized investment income by type

	2024	2023
	\$	\$
Cash and short-term investments	2,061,507	2,193,945
Canadian equity pooled funds	284,776	1,240,368
American equity pooled funds	—	9,233,544
International equity pooled funds	2,439,030	3,861,852
Fixed income pooled funds	2,172,572	(5,755,703)
Canadian money market funds	588,428	205,334
Mortgage funds	1,671,627	—
Global infrastructure funds	1,685,907	551,374
	10,903,847	11,530,714
Disclosed as		
Interest and dividends	8,055,044	5,364,699
Realized gains	2,848,803	6,166,015
	10,903,847	11,530,714

6. Deferred contributions

In 2024, the Trust received \$616,631 [2023 – \$160,764] from school districts as contribution payments for 2025.

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

7. Claims fluctuation account

The changes in the claims fluctuation account consist of the following:

	2024	2023
	\$	\$
Balance, beginning of year	396,015	454,544
Required funding for the year	175,066	(58,529)
Balance, end of year	571,081	396,015

8. Provision for claim reserves

The provision for claim reserves by status of claim is as follows:

	2024	2023
	\$	\$
Claims in progress/ongoing	32,977,000	32,965,000
Group life waiver of premiums	9,484,000	9,127,000
Extended health care, dental, LTD	2,191,000	2,132,000
	44,652,000	44,224,000
Incurred but not reported claims	19,938,000	19,901,000
	64,590,000	64,125,000

9. Durational pooling [other]

During the year ended December 31, 2024, the Board of Trustees [the "Board"] approved a cost-of-living adjustment to the Core LTD benefits for existing claims only. The effect of this change on the financial statements was a payment to Desjardins in the amount of \$1,866,001 [2023 – \$1,899,058].

10. Operating expenses

Operating expenses consist of the following:

	2024	2023
	\$	\$
Consulting and actuarial fees		
HUB	278,954	273,484
Other	36,638	69,363
	315,592	342,847

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

	2024 \$	2023 \$
Professional fees		
Ernst & Young LLP	53,550	50,873
Areti LLP	40,950	40,950
Trust Secretariat	708,260	738,324
Hatch Law	3,830	11,914
Max Reed Law Corporation	—	12,568
	806,590	854,629

11. Fair value measurement

A fair value hierarchy is presented below that distinguishes the significance of the inputs used in determining the fair value measurements of the Trust's financial instruments. The hierarchy has the following levels:

Level 1 – Quoted [unadjusted] prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, or assets with quoted prices in a less active market; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

	2024			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Cash	30,503,768	—	—	30,503,768
Restricted cash	12,779,600	—	—	12,779,600
Canadian equity pooled funds	—	15,913,577	—	15,913,577
International equity pooled funds	—	30,120,992	—	30,120,992
Fixed income pooled funds	—	43,079,554	—	43,079,554
Canadian money market funds	—	4,505,234	—	4,505,234
Mortgage funds	—	25,381,663	—	25,381,663
Global infrastructure funds	—	30,620,129	—	30,620,129
	43,283,368	149,621,149	—	192,904,517

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

	2023			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	
Cash	18,683,160	—	—	18,683,160
Restricted cash	17,446,026	—	—	17,446,026
Canadian equity pooled funds	—	14,419,489	—	14,419,489
International equity pooled funds	—	30,090,763	—	30,090,763
Fixed income pooled funds	—	70,934,386	—	70,934,386
Canadian money market funds	—	4,177,518	—	4,177,518
Mortgage funds	—	7,800,000	—	7,800,000
Global infrastructure funds	—	28,280,893	—	28,280,893
	36,129,186	155,703,049	—	191,832,235

There were no transfers of investments between the levels during the years ended December 31, 2024 and 2023.

12. Financial instruments and risk management

The Trust's financial instruments consist of cash, restricted cash, investments, contributions receivable, accounts payable and accrued liabilities, and benefit and premium costs payable. The Trust is largely exposed to financial instrument risk on its investments, which are recorded at fair value.

The Trust's investment portfolio is subject to a variety of financial instrument risks that could adversely affect its financial position and changes in net assets available for benefits. These risks are categorized as market risk, credit risk and liquidity risk as detailed below.

Managing financial risk

The Trustees manage the Trust's financial instrument risks through the approval of the Trust's Statement of Investment Policies and Procedures ["SIPP"]. The SIPP sets out the Trust's investment objectives and risk framework, requires diversification of investments within asset classes, sets guidelines on investment categories, and limits the exposure to individual investments and counterparties. The Trustees also regularly monitor investment performance against a variety of criteria including compliance with the SIPP and investment manager performance against agreed-upon benchmarks.

The Trust invests in pooled funds that are in turn invested in government and government guaranteed bonds, corporate bonds, debentures, mortgage-backed securities, and equities. The investment managers must adhere to the SIPP.

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

Market risk

The Trust's investments are susceptible to market risk, which is defined as the risk that the fair value or future cash flows of an investment will fluctuate as a result of changes in market prices. Market risk comprises foreign currency risk, interest rate risk and other price risk. Market risk is managed through asset class diversification, diversification within each class, and credit quality constraints on investments.

Foreign currency risk is the risk that the value of the Trust's financial instruments will fluctuate due to changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Trust invests in units of pooled funds, which in turn invest in a diversified portfolio of assets. While underlying investments of the Trust are susceptible to both currency and interest rate risks, the risk of the Trust is indirect in nature. Given that the Trust does not directly hold any unhedged investments denominated in a foreign currency or any interest-sensitive securities, the Trust believes it has no direct exposure to foreign currency or interest rate risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices [other than those arising from foreign currency risk or interest rate risk] whether those changes are caused by factors specific to the individual financial instrument, its issuer, or factors affecting all similar financial instruments traded in the market.

The investments of the Trust are directly exposed to other price risk. If the unit price of the pooled funds were to increase or decrease by 10%, with all other variables being held constant, the impact on the net assets available for benefits would be \$14,962,115 [2023 – \$15,570,304].

Credit risk

Credit risk is the risk that loss may occur from the failure of another party to perform according to the terms of a contract. The Trust is indirectly susceptible to credit risk through investments in pooled funds and cash holdings. The Trust does not consider the risk in this area to be significant.

Liquidity risk

Liquidity risk is the risk of not being able to meet the Trust's cash requirements in a timely manner and includes the risk of not being able to liquidate assets at a reasonable price. The Trust forecasts its cash requirements over the near and long term to determine whether sufficient funds are available. The Trust's primary source of liquidity is income generated from the Trust's investments and contributions. The Trust limits liquidity risk as the Trust primarily invests in securities that can be readily sold.

Public Education Benefits Trust Fund

Notes to financial statements

December 31, 2024

13. Actuarial valuation

Actuarial valuations are required annually under the Trust Agreement. The latest actuarial valuation was performed as at December 31, 2024 by HUB. Amounts reported in these financial statements are based on going concern results of this valuation. The actuarial assumptions used in determining the provision for claim reserves that were approved by the Trustees are set out in detail in the December 31, 2024 actuarial valuation. The primary assumptions for Core LTD benefits include the claim CPP approval rate, funding interest rate, claim-related expense rate and claim termination rates based on modifications to the 2009–2015 Canadian Institute of Actuaries [“CIA”] study of disability termination experience based on Plan experience. The primary assumptions for group life benefits include rates of mortality and recovery, based on the CIA Long-term Disability Termination Study based on 2009–2015 experience, funding interest rate and claim-related expense rate.

14. Related party transactions

Related parties of the Trust include members of the Board. For the year ended December 31, 2024, the Trust paid administrative expenses of \$116,831 [2023 – \$69,949] in support of Board meetings and training. All transactions with related parties are in the normal course of operations and recorded at the exchange amount agreed upon by the related parties.

15. Capital management

Capital of the Trust is defined as the net assets available for benefits and is not subject to external restriction. The Trustees’ primary objective when managing the net assets of the Trust is to safeguard its ability to continue providing benefits to members at current levels in the future.

The Trustees set the amount of the net asset balance taking into consideration anticipated changes in economic and investment conditions, benefit costs and actuarial determination. The Trustees have the ability to enhance or reduce benefits and to increase contributions as part of their management of the net assets of the Plan.

Appendices

Appendix 2:

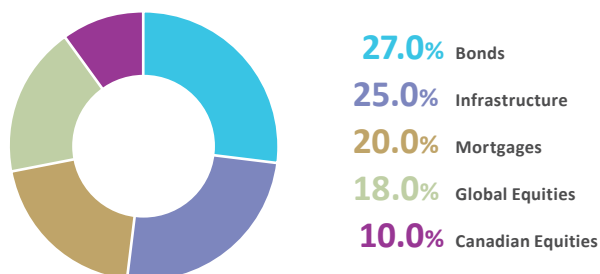
Investment Summary

Investment summary

The PEBT invests its assets to earn additional income to fund future benefits for “Core” LTD and subsidize operating expenses incurred to manage the Trust.

The Board currently utilizes the following Benchmark Portfolio for their investments:

BENCHMARK ASSET MIX AS OF DECEMBER 31, 2024



Over the course of the past five years, the dollar value and annual returns for PEBT Investments at Fair Value is summarized as follows:

INVESTMENTS — AT FAIR VALUE					
FUND	2024	2023	2022	2021	2020
Canadian equity funds	\$15,913,577	\$14,419,489	\$14,031,000	\$20,179,000	\$17,674,000
Global equity funds	\$30,120,992	\$30,090,763	\$49,283,000	\$61,992,000	\$63,929,000
Universe bonds	\$43,079,554	\$70,934,386	\$59,689,000	\$76,770,000	\$76,143,000
Infrastructure	\$30,620,129	\$28,280,893	\$26,236,000	\$23,748,000	\$0
Short-Term bonds	\$0	\$0	\$0	\$0	\$24,070,000
Mortgages	\$25,381,663	\$7,800,000	\$0	\$0	\$0
Money market and cash	\$4,505,234	\$4,177,518	\$3,698,000	\$1,794,000	\$1,813,000
Total Portfolio*	\$149,621,149	\$155,703,049	\$152,937,000	\$184,483,000	\$183,630,000
In-Year Investment Returns	12.2%	9.9%	-7.9%	7.3%	10.9%

*Reflects investment returns and fund withdrawals.