ONE T
Ontario Non-union Education Trust

Annual Update for P/VP Plan Members

June 2026

Earlier this year, we shared the 2025 Annual Member Update – it included data from 2024, since it was released before our audited financial results were final.

We're now providing a **refreshed version** that includes **key financial highlights** from 2025 based on our latest audited financial reports. Going forward, the full Annual Member Update will be released each June, so you have access to the most current financial information as soon as it becomes available.

In 2025, we continued to face growing claim costs while only receiving a limited one-time increase. Every decision was made with Plan Members in mind, balancing the benefits you rely on (today) with the long-term health of the Plan (the future).

We hope this refreshed Annual Member Update provides some helpful insights and deepens your understanding of the Benefits Plan.

Sincerely,

The ONE-T Board of Trustees

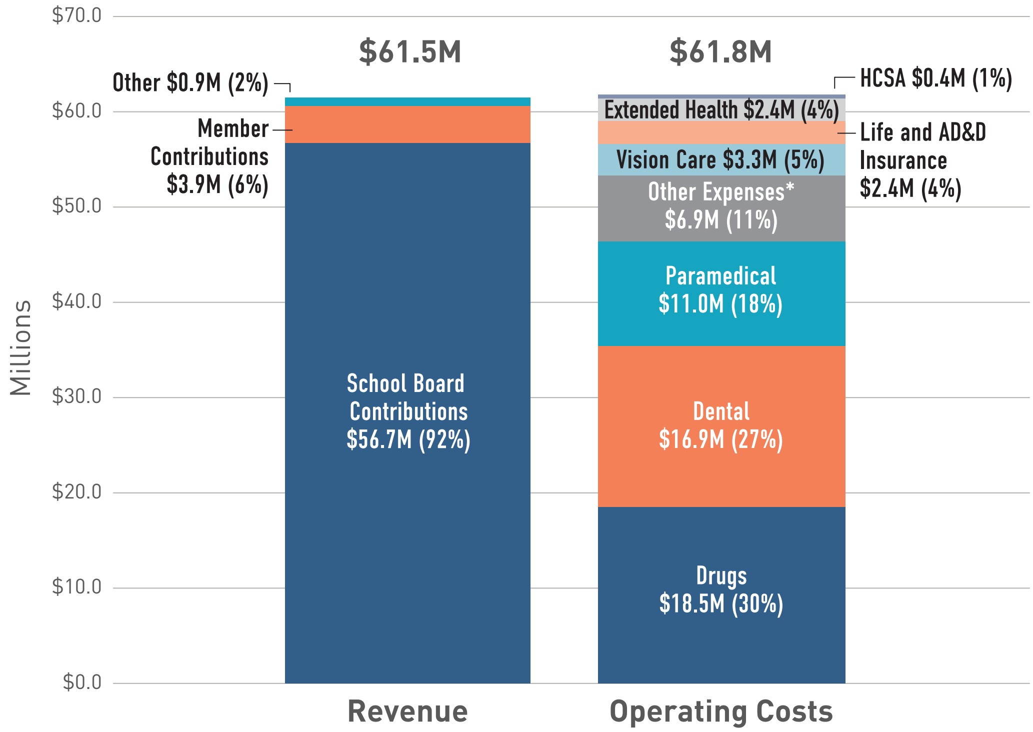
Refreshed with values of December 31, 2025

Plan Financials

Most of the funding the Plan receives goes directly toward paying Plan Member claims and premiums for life insurance coverages, which represents 96% of total benefit costs. A small portion of the funding is needed to cover expenses to operate the Trust. Managing the Plan's finances continues to be challenging, as **the growth in claim costs is outpacing the growth in funding and other revenue**.

Actual 2025 Plan revenue was $61.5M, and total operating costs were $61.8M, as summarized below.

P/VP 2025 Actual Revenue vs. Costs



*Includes insurance pooling costs, Canada Life claims administration costs, and Trust expenses.

Did you know?

ONE-T Trustees have no involvement in funding decisions, as FTE funding is negotiated between the Employee Associations and the Crown.

Historically, Plan costs have risen by over 6% per year on average and are expected to continue rising for the foreseeable future in the absence of any changes.

By comparison, Plan funding increased by about 4% until 2021, and saw smaller percentage increases until the end of 2023. Beginning in 2024, the Province no longer provided percentage increases on an annual basis. Instead, they provided absolute dollar amounts as shown below, which equates to lower increases than the Plan costs.

End of 2024	September 1, 2025	September 1, 2026	August 31, 2027	Beyond 2027
$1,176,536	**$588,268**	**$588,268**	**$2,353,072**	**Unknown**

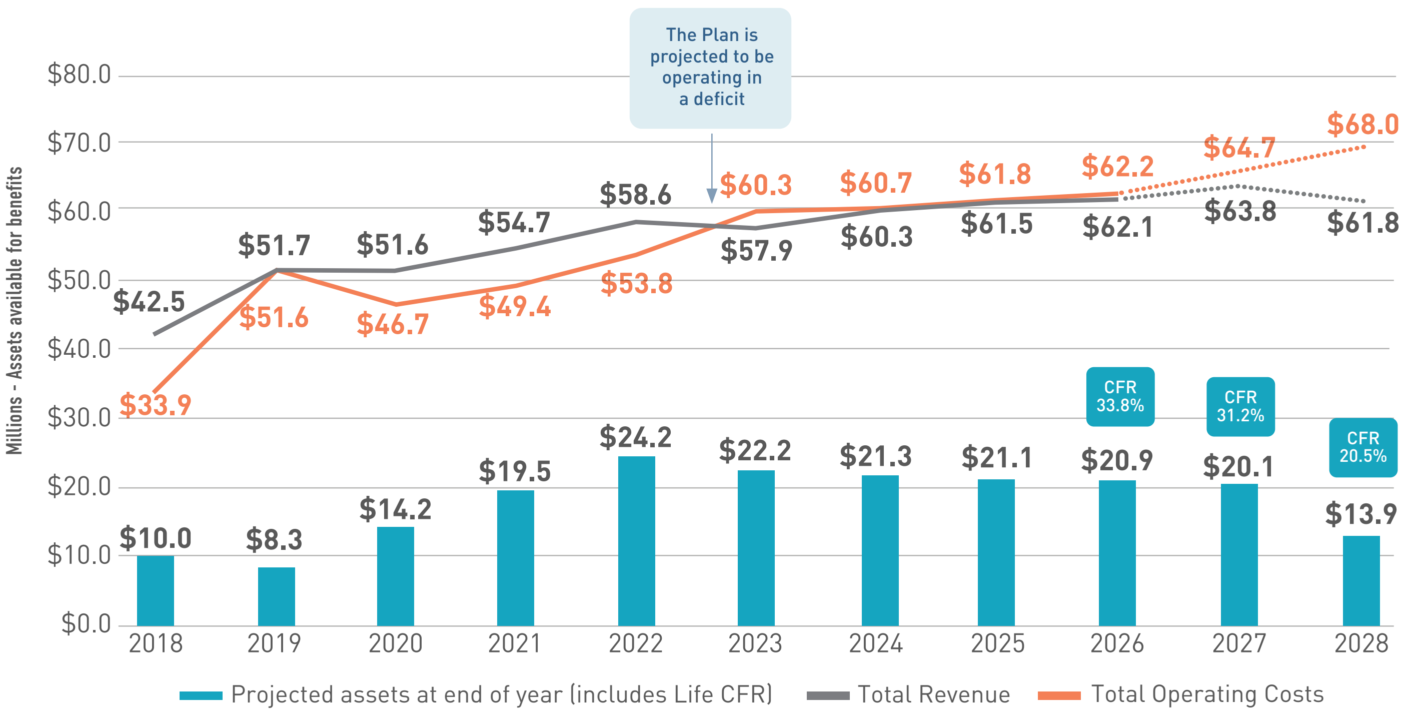
This gap continues to put pressure on the Plan and highlights why we're focused on doing everything we can to keep it sustainable. With costs rising faster than funding, we all have a role to play in helping preserve funds for the long term.

Looking at 2026 and beyond

One of the ways we review and monitor the Plan's financials each year is through an actuarial valuation.

The purpose of an actuarial valuation is to forecast, as best as possible, future Plan costs and anticipated funding (if known), and correlate that to net assets that will be available for benefits. The Trustees are required to keep a minimum amount of assets on hand over the forecast period to help protect the Plan against a large swing in claims or a delay in receiving funding. This is referred to as the minimum Claims Fluctuation Reserve (CFR) and is **8.3%** of annual operating costs.

P/VP Active Plan Revenue vs. Claims Costs/Expenses and Projected Assets



The projections for 2026, 2027, and 2028 factor in the plan design changes that will be implemented on September 1, 2026.

The Trustees continue to monitor the Plan's financials each quarter against the actuarial forecast to keep on top of changes in claims patterns, to understand differences in actual vs. expected costs or funding, and to be prepared to pivot, if needed.

Have a question about your benefits?

Choose "Your contacts" from the menu at **www.one-t.ca** to get in touch with the right provider for your questions or needs.