



Township of North Kawartha

280 Burleigh Street, PO Box 550, Apsley, ON K0L 1A0
Tel: 705-656-4445 | 1-800-755-6931 | Fax: 705-656-4446
www.northkawartha.ca

Report to Council

To: Mayor and Council Members
From: Shannon Hunter, Chief Administrative Officer
Date: November 3, 2026
Subject: Current Benefits and Enhancement Options

Recommendation:

That Council receive the Current Benefits and Enhancement Options report and direct the Treasurer to include the preferred benefit enhancement options identified by Council in the 2027 Budget for consideration.

Background:

Through the Comprehensive Employee Survey and Organizational Review Implementation Plan it was recommended that a regular benchmarking review of employee compensation, the employee benefit package and other non-monetary incentives to ensure the Township remains an employer of choice be conducted. The final phase of this recommendation involved surveying comparable local municipalities to benchmark employee benefit programs and conducting an employee survey to gather feedback on current benefits and preferred enhancements. This was completed in September 2026.

Staff reviewed the survey results and obtained pricing for benefit enhancements commonly offered by other municipalities within Peterborough.

Analysis:

Summary of Current Benefits and Enhancement Options

The Township's current benefits plan provides extended health care, dental coverage, vision care, prescription drug coverage, and limited paramedical and mental health services. Several enhancement options have been costed to improve employee coverage.



Township of North Kawartha

280 Burleigh Street, PO Box 550, Apsley, ON K0L 1A0
Tel: 705-656-4445 | 1-800-755-6931 | Fax: 705-656-4446
www.northkawartha.ca

Current Coverage Highlights

Extended Health Care (EHC)

- Chiropractor: \$15 per visit, maximum 20 visits annually, plus \$25 annually for x-rays.
- Massage Therapy: \$15 per visit, maximum 12 visits annually (physician referral required).
- Osteopath, Naturopath, Podiatrist/Chiropodist: \$7 per visit, maximum 20 visits annually.
- Physiotherapy: \$20 per visit.
- Speech Therapy: \$200 annual maximum.
- Mental Health Practitioners: \$35 first visit, \$20 per hour thereafter, maximum \$200 annually.
- Vision Care: \$250 every 24 months.
- Eye Exams: \$75 every 24 months.
- Prescription Drugs: Coverage for legally prescribed and life-sustaining medications.

Dental

- Basic Dental Services (Level 1 only): Annual maximum of \$1,500.
- No Major Restorative coverage.
- No Orthodontic coverage.

Most Significant Benefit Enhancement Opportunities

Enhancement	Annual Cost Impact
Increase paramedical coverage to \$450 per practitioner annually and remove visit maximums	\$8,177
Increase mental health coverage to \$400 annually	\$694
Increase mental health coverage to \$500 annually	\$1,080
Increase vision coverage from \$250 to \$450 every 24 months	\$3,704
Remove physician referral requirement for massage therapy	No cost
Increase eye exam coverage to \$100 every 24 months	No cost



Township of North Kawartha

280 Burleigh Street, PO Box 550, Apsley, ON K0L 1A0
 Tel: 705-656-4445 | 1-800-755-6931 | Fax: 705-656-4446
www.northkawartha.ca

Mandatory generic drug substitution	Savings of \$8,639
Remove annual dental maximum (\$1,500)	\$4,704
Add Level 2 Basic Dental and 50% Major Restorative coverage (up to \$1,500 annually)	\$21,796
Add Orthodontic coverage (50% to \$2,000 lifetime maximum)	\$20,651

Key Findings

- The **most cost-effective improvements** are increased mental health coverage and enhanced vision benefits, with relatively modest premium increases.
- The **largest dental enhancements** (major restorative and orthodontics) would significantly improve coverage but increase annual costs by approximately **\$20,000-\$22,000** each.
- Implementing **mandatory generic drug substitution** would reduce annual premiums by approximately **\$8,639**, potentially offsetting the cost of other benefit improvements.
- Removing physician referral requirements for massage therapy and increasing eye exam coverage have **no additional premium cost**.

Current Plan Cost

Coverage	Monthly Premium
Extended Health Care	\$12,857
Dental	\$4,780
Total Monthly Premium	\$17,637
Total Annual Premium	\$211,644

Projected Plan Cost Excluding Major Restorative and Orthodontics

Coverage	Monthly Premium
Extended Health Care	\$13,275
Dental	\$5,172
Total Monthly Premium	\$18,447
Total Annual Premium	\$221,363.76



Township of North Kawartha

280 Burleigh Street, PO Box 550, Apsley, ON K0L 1A0
Tel: 705-656-4445 | 1-800-755-6931 | Fax: 705-656-4446
www.northkawartha.ca

The employee survey identified a Health Spending Account (HSA) as the preferred enhancement option, with 66% of respondents indicating support for this approach. An HSA provides employees with a non-taxable benefit that can be used toward eligible medical and dental expenses not otherwise covered under the group benefits plan.

Overall, the current plan provides a solid benefits foundation, but there are opportunities to enhance employee wellness, mental health support, and dental coverage. A combination of increased paramedical and mental health benefits, funded in part through generic drug substitution savings, may offer the best balance between improved employee benefits and cost management.

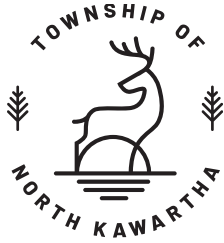
Due to the significant cost increase for dental enhancements of major restorative and orthodontics it is recommended that we self-fund through a health spending account, HSA. Most enhanced dental programs have a maximum annual amount of \$1500 - \$2000. Based on the current number of eligible benefit members, a Health Spending Account with an annual allocation of \$1,500 per employee would require an initial funding commitment of approximately \$60,000. Future annual costs would be based on actual employee utilization and would only require replenishment of amounts claimed by employees.

Based on the benchmarking review, employee survey results, and cost analysis, staff recommend enhancing the current benefit package through increased paramedical coverage, expanded mental health coverage, improved vision benefits, and implementation of mandatory generic drug substitution. Staff further recommend establishing a \$1,500 annual Health Spending Account for benefit-eligible employees as a cost-effective alternative to adding major restorative dental and orthodontic coverage to the group benefits plan.

Financial Implications:

2027 Budget Considerations

The initial HSA cost would be approximately \$60,000, however future costs would only be replenishing the HSA amounts spent. This expense would initially be funded by reserves.



Township of North Kawartha

280 Burleigh Street, PO Box 550, Apsley, ON K0L 1A0
Tel: 705-656-4445 | 1-800-755-6931 | Fax: 705-656-4446
www.northkawartha.ca

Other benefit enhancements would be approximately 4.6% increase in the 2027 benefit premium

Strategic and/or Other Plans:

Maintain a strong, accountable, Municipal Government

Consultant(s) Sourced: Judy Everett, Treasurer

Attachment:

Executive Benefit Survey Summary