

Annual Report 2025

Extended Health Care Plan for Certain Other Retired Employees

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Letters of Transmittal



Her Honour the Honourable Bernadette McIntyre, S.O.M.,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I have the honour to transmit herewith the twenty-fourth Annual Report of the Extended Health Care Plan for Certain Other Retired Employees for the year ending December 31, 2025.

A handwritten signature in blue ink, appearing to read "Jim Reiter". The signature is fluid and cursive.

Honourable Jim Reiter
Deputy Premier and Minister of Finance

The Honourable Jim Reiter
Deputy Premier and Minister of Finance

May it Please Your Honour:

On behalf of the Advisory Committee, I have the honour to transmit herewith the twenty-fourth Annual Report of the Extended Health Care Plan for Certain Other Retired Employees for the year ending December 31, 2025.

A handwritten signature in blue ink, appearing to read "Karen Lautsch". The signature is fluid and cursive.

Karen Lautsch
Assistant Deputy Minister
Public Employees Benefits Agency
Ministry of Finance

Extended Health Care Plan for Certain Other Retired Employees

Introduction

The Extended Health Care Plan for Certain Other Retired Employees was established on January 15, 2002.

The Fund is used to account for the transactions of the Extended Health Care Plan for Certain Other Retired Employees which provides health care benefits to certain out-of-scope retired employees.

As at December 31, 2025, participation in the Plan has been approved by the Lieutenant Governor in Council for out-of-scope retired employees of the Government of Saskatchewan as defined under *The Public Service Act, 1998*.

Advisory Committee Members

Andrea Lamont, Chair
Public Service Commission

Dave Morhart, Vice-Chair
Ministry of Health

Peggy Atkinson
Public Service Commission

Kelly Hardy
Public Service Commission

Kendra LaHaye
Public Service Commission

Chantelle Patrick
Ministry of Health

Participating Employers

The following employers participate in the Extended Health Care Plan for Certain Other Retired Employees:

With respect to individuals who are, or who immediately prior to the termination of their employment were, employees who do not participate in the Extended Health Care Plan for Retired Employees established pursuant to Schedule M, the following employers participate in The Extended Health Care Plan for Certain Other Retired Employees:

Advocate for Children and Youth (Office of the Board of Arbitration under *The Surface Rights Acquisition and Compensation Act* (The Chief Electoral Officer (Office of the) Enterprise Saskatchewan
Farm Land Security Board
Financial and Consumer Affairs Authority of Saskatchewan
Global Transportation Hub Authority (The) Horned Cattle Fund
Information and Privacy Commissioner (Office of the)
Innovation Saskatchewan
Ombudsman (Office of the)
Plannera Pensions and Benefits
Provincial Archives of Saskatchewan
Public Interest Disclosure Commissioner (Office of the)
Saskatchewan Distance Learning Centre
Saskatchewan Milk Marketing Board
Saskatchewan Municipal Board
Saskatchewan Public Safety Agency
SaskBuilds Corporation
The Government of Saskatchewan with respect to members of the Public Service of Saskatchewan as defined under *The Public Service Act, 1998*

Administration

The Plan was administered by the Public Employees Benefits Agency (PEBA) until December 31, 2023. Effective January 1, 2024, the Public Pension and Benefits Administration Corporation, operating as Plannera Pensions and Benefits (Plannera, the Corporation), began managing the Plan. As per Order in Council #194-2024, the Government of Saskatchewan authorized PEBA to delegate the administration of the Plan to Plannera.

The Government of Saskatchewan has established a fund pursuant to *The Financial Administration Act, 1993*, for the purpose of providing benefits under the Plan. An Advisory Committee is responsible for the management and investment of the Fund. The Advisory Committee consists of six representatives as nominated by the Saskatchewan Public Service Commission and appointed by Minister's Order.

The Plan pays a premium subsidy to The Canada Life Assurance Company who provide insured extended health coverage to eligible retirees. The Plan's risk is limited to the payment of monthly premium subsidy as follows under the one-year contract effective January 1, 2025:

Single	\$15.44	per month
Couple	\$30.87	per month
Family	\$38.59	per month

Funding

For the period January 1, 2002, to December 31, 2002, the General Revenue Fund (GRF), on behalf of the Plan, paid premium subsidies to Group Medical Services. The amount paid from the GRF was recorded as due to GRF and was repayable with interest.

This amount was repaid in 2003. Effective July 1, 2003, funding for the Plan became employer paid at a rate of 0.25 per cent of straight time annual payroll.

Benefits

A retiree is eligible for benefits immediately following retirement. Claims are paid on behalf of eligible family members and covers certain health and vision care benefits.

Management's Report

To the Members of the Legislative Assembly of Saskatchewan

As members of management of the Extended Health Care Plan for Certain Other Retired Employees, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian public sector accounting standards.


The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

The Extended Health Care Plan for Certain Other Retired Employees has a system of internal controls adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian public sector accounting standards.

An Advisory Committee, as nominated by the Public Service Commission and appointed by Minister's Order, has been established and is responsible for reviewing the ongoing operations of the Plan and making recommendations to the Public Employees Benefits Agency at the Ministry of Finance.

Enclosed are the financial statements of the Extended Health Care Plan for Certain Other Retired Employees for the year ended December 31, 2025, and the Provincial Auditor's report on these financial statements.

Regina, Saskatchewan
April 9, 2026



Jeremy Phillips
President and Chief Executive Officer
Plannera Pensions & Benefits



Karen Lautsch
Assistant Deputy Minister
Corporate Services Division
Ministry of Finance

Extended Health Care Plan For Certain Other Retired Employees

**Financial Statements
Year Ended December 31, 2025**

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of Extended Health Care Plan for Certain Other Retired Employees, which comprise the statement of financial position as at December 31, 2025, and the statement of operations and changes in net financial assets and accumulated surplus, and statement of cash flow 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 Extended Health Care Plan for Certain Other Retired Employees as at December 31, 2025, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Extended Health Care Plan for Certain Other Retired Employees 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in *The Extended Health Care Plan for Certain Other Retired Employees Annual Report for 2025*, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines 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, management is responsible for assessing Extended Health Care Plan for Certain Other Retired Employees' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Extended Health Care Plan for Certain Other Retired Employees or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Extended Health Care Plan for Certain Other Retired Employees' 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 Extended Health Care Plan for Certain Other Retired Employees' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Extended Health Care Plan for Certain Other Retired Employees' 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 Extended Health Care Plan for Certain Other Retired Employees 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 identified during the audit.

Regina, Saskatchewan
April 9, 2026



Tara Clemett, CPA, CA, CISA
Provincial Auditor
Office of the Provincial Auditor

**Extended Health Care Plan For Certain Other Retired Employees
Statement of Financial Position**

Statement 1

As At December 31

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash (Note 3)	\$11,084,482	\$10,136,954
Employer Contributions Receivable	179,443	81,267
Other Receivables	<u>24,049</u>	<u>31,924</u>
	<u>11,287,974</u>	<u>10,250,145</u>
Liabilities		
Accounts Payable and Accrued Liabilities	<u>5,347</u>	<u>8,284</u>
Net Financial Assets and Accumulated Surplus (Statement 2)	<u>\$11,282,627</u>	<u>\$10,241,861</u>

(See accompanying notes to the financial statements)

Extended Health Care Plan For Certain Other Retired Employees
Statement of Operations and Change in Net Financial Assets and Accumulated Surplus

Statement 2

For The Year Ended December 31

	2025		2024
	Budget (Note 6)	Actual	Actual
Revenues			
Employer Contributions (Note 1)	\$ 920,727	\$ 1,126,161	\$ 909,721
Interest Income (Note 3)	<u>421,312</u>	<u>319,849</u>	<u>474,011</u>
	<u>1,342,039</u>	<u>1,446,010</u>	<u>1,383,732</u>
Expenses			
Insurance Premium Subsidy (Note 1)	304,907	334,303	298,535
Administration	<u>98,316</u>	<u>70,941</u>	<u>60,597</u>
	<u>403,223</u>	<u>405,244</u>	<u>359,132</u>
Operating Surplus	938,816	1,040,766	1,024,600
Net Financial Assets and Accumulated Surplus, Beginning of Year	<u>10,241,861</u>	<u>10,241,861</u>	<u>9,217,261</u>
Net Financial Assets and Accumulated Surplus, End of Year (Statement 1)	<u><u>\$11,180,677</u></u>	<u><u>\$11,282,627</u></u>	<u><u>\$10,241,861</u></u>

(See accompanying notes to the financial statements)

**Extended Health Care Plan For Certain Other Retired Employees
Statement of Cash Flow**

Statement 3

For The Year Ended December 31

	<u>2025</u>	<u>2024</u>
Cash Flow From (Used In) Operating Activities:		
Employer Contributions Received	\$ 1,027,985	\$ 904,250
Interest Income Received	327,724	555,679
Insurance Premium Subsidies Paid	(334,303)	(298,535)
Administration Expenses Paid	(73,878)	(57,399)
Cash Flow From Operating Activities	<u>947,528</u>	<u>1,103,995</u>
Net Increase in Cash	<u>947,528</u>	<u>1,103,995</u>
Cash, Beginning of Year	<u>10,136,954</u>	<u>9,032,959</u>
Cash, End of Year	<u><u>\$11,084,482</u></u>	<u><u>\$10,136,954</u></u>

(See accompanying notes to the financial statements)

Extended Health Care Plan For Certain Other Retired Employees

Notes to the Financial Statements

December 31, 2025

1. Description of the Plan

The Extended Health Care Plan for Certain Other Retired Employees (Plan) was established on January 15, 2002 pursuant to subsection 64(2) of *The Financial Administration Act, 1993*. The Plan provides extended health care benefits to eligible out-of-scope retired employees of the Government of Saskatchewan.

The Government, through the Minister of Finance, has entered into an agreement with an insurance company to provide eligible retirees with extended health coverage. The retirees are responsible to pay the insurance company the premiums set out in the agreement less a premium subsidy which is paid by the Plan. The Plan's risk is limited to the payment of a monthly premium subsidy to the insurance company for eligible retirees. The monthly premium subsidy for the year was \$15.44 for a single policy, \$30.87 for a couple policy, and \$38.59 for a family policy.

The Plan is funded by employers, whose participation in the Plan has been approved by the Lieutenant Governor in Council. Funding for the Plan commenced July 1, 2003. The Minister of Finance approved a contribution rate of 0.25 per cent of the regular pay of current out-of-scope employees.

As per Order in Council #194-2024, the Government of Saskatchewan authorized Public Employees Benefits Agency (PEBA) to delegate the administration of the Plan to the Public Pension and Benefits Administration Corporation. Effective January 1, 2024, the Public Pension and Benefits Administration Corporation, operating as Plannera Pensions and Benefits (Plannera, the Corporation) began managing the Plan under the direction of the Advisory Committee. The Plan has an Advisory committee made up of employer's representatives appointed by Minister's Orders. The committee provides recommendations to the Minister on the management and investment of the Plan. The Minister of Finance is charged with governance of the Plan and has delegated authority to the Deputy Minister of the Ministry of Finance.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards. These statements do not present a Statement of Remeasurement Gains and Losses as the Plan has no remeasurement gains or losses. The following accounting policies are considered significant:

a) Employer Contributions

Contribution billings are done at the end of each month. Contributions are recognized as revenue when due.

b) Interest Revenue

Interest is recognized as income when earned.

c) Insurance Premium Subsidy

Insurance premium subsidies are paid monthly. The monthly premium subsidies are recognized as an expense when due.

d) Financial Instruments

The Canadian Public Sector Accounting Handbook, Section 3450 establishes standards for recognizing and measuring financial assets and financial liabilities. The measurement basis depends on whether the financial assets or liabilities have been categorized in one of two measurement categories: fair value, or cost or amortized cost.

The Plan's financial assets include cash, employer contributions receivable and other receivables. The Plan's financial liabilities include accounts payable and accrued liabilities. The Plan has categorized and measured all its financial assets and financial liabilities at cost.

e) Public Sector Accounting Standards not yet in effect

The Public Sector Accounting Board has issued a new conceptual framework and reporting model that will be effective for fiscal years beginning on or after April 1, 2026.

The Plan intends to adopt the new standards in the fiscal year in which they become effective. Management is currently analyzing the impact these new standards will have on the financial statements.

3. Cash

The Plan's bank account is included in Plannera's Master Client Agreement. Per the agreement, interest is earned at a rate per annum equal to the daily value of Royal Bank Prime rate (RBP) less 1.90 per cent. The average interest rate earned in 2025 was 2.99 per cent (2024 - 4.85 per cent).

4. Financial Risk Management

The nature of the Plan's operations results in a statement of financial position that consists primarily of financial instruments. The risk that arises from financial instruments is credit risk. The Plan is not exposed to market risk or liquidity risk as it does not hold any investments.

Credit risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from the following distinct sources:

	<u>2025</u>	<u>2024</u>
Cash	\$ 11,084,482	\$ 10,136,954
Employer Contributions Receivable	179,443	81,267
Other Receivables	24,049	31,924

The maximum credit risk to which the Plan is exposed is limited to the carrying value of the financial assets summarized above.

The Plan is exposed to minimal credit risk from the potential non-payment of employer contributions and other receivables as these are receivables from government agencies and were collected shortly after year-end. Credit risk related to cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies. There has been no change in the risk exposure in 2025.

5. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Plan by virtue of common control by the Government of Saskatchewan, as well as key management personnel and their close family members (collectively referred to as "related parties"). Related party transactions with the Plan are in the normal course of operations and are recorded at fair market value.

6. Budget

Plannera prepared the 2025 budget for approval by the Advisory Committee. The budget was approved on January 28, 2025.

Appendix I Payee Details (Unaudited)

As per Section 2315 Reporting Payee Details, entities included in the Summary Financial Statements, except for Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries are required to table, in the Legislative Assembly, payee details for administrative expenses incurred in the year.

Payee Details – December 31

Vendor	2025	2024
Canada Life Assurance Company	\$334,303	\$298,535
Plannera Pensions and Benefits	70,941	60,597