



Summary of the 2022 Annual Report of the Public Service Management Insurance Plan (PSMIP)

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pour les cadres de gestion de la fonction publique (RACGFP)

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What is the Public Service Management

Insurance Plan?

The Public Service Management Insurance Plan (PSMIP) is a group insurance plan established by the Treasury Board. It provides Long-Term Disability (LTD), Life, Accidental Death and Dismemberment (AD&D), and Dependents' Insurance for federal employees who are excluded from collective bargaining because they are working in managerial or confidential capacities. Executives, parliamentarians, and judges are also covered by the Plan and have distinct benefits. The PSMIP is insured through Industrial Alliance (IA) Financial Group. As of December 31, 2022, LTD membership was approximately 52,196, representing an increase of 3.8 percent from the previous year.

Board of Trustees

A Board of Trustees, appointed by the President of the Treasury Board, monitors the financial operations of the Plan and oversees its administration. The members of the Board on December 31, 2022, were as follows:

- Daniel Quan-Watson (Chairperson) Deputy Minister, Crown-Indigenous Relations and Northern Affairs Canada
- Simon Kennedy, Deputy Minister, Innovation, Science and Economic Development Canada
- Dr. Siddika Mithani, President, Canadian Food Inspection Agency
- François Daigle, Deputy Minister of Justice and Deputy Attorney General of Canada
- Dr. Harpreet Kochhar, President, Public Health Agency of Canada

Scope of the Plan

In 2022, all benefits paid under the Plan totaled \$80.5 million, a 1.5 million decrease compared to 2021. Benefits paid to LTD claimants totaled \$63.7 million from \$67.2 million in 2021.

AD&D benefits totaled \$5,000 compared to \$255,000 in 2021. Life insurance benefits amounted to \$16.8 million in 2022, an increase of \$2.1 million compared to a year earlier.

Premiums and benefits

Premiums paid into the Plan during 2022 are shown in the following table and are compared with the amount paid out to claimants or set aside as reserves.

Line of Insurance	Premiums	Claims	Ratio of Claims to Premiums
Basic Life	\$11,906,000	\$8,690,000	72.99%
Supplementary Life	\$2,818,000	\$1,413,000	50.14%
Members' AD&D	\$682,000	\$254,000	37.24%
Dependants' Coverages	\$303,000	\$86,000	28.38%
LTD	\$97,509,000	\$87,311,000	89.54%
Post Retirement Life Insurance	\$9,724,000	\$7,416,000	76.26%
Total	\$122,943,000	\$105,170,000	85.54%

Reserves

When a disability claim is received, sufficient funds are set aside to pay all future monthly benefit instalments to the claimant. These funds are referred to as “reserves” and represent a liability under the Plan. Total reserves increased to \$429.3 million in 2022 from \$404.7 million in 2021. LTD reserves increased by \$23.6 million.

Surplus/deficit

In 2022 the total plan surplus (excluding the Post-Retirement Life Reserve) increased by \$11.4 million to \$139.7 million from \$128.3 million in 2021. LTD accumulated surplus at year end 2022 totaled \$111.2 million compared to \$93.4 million in 2021.

Plan disbursements

The total amount disbursed by the Plan in 2022 was \$112.1 million . Of this amount, \$80.5 million was paid in the form of benefits to plan members and their families, \$4.3 million was for expenses, and \$2.6 million was for premium taxes.

Premium rate recommendations

There are 17 lines of insurance under the PSMIP that are experience-rated separately and reviewed each year between IA, Financial Group, the Treasury Board of Canada Secretariat (TBS) and the Office of the Chief Actuary (OCA). Surpluses are maintained for premium rate stability; however, if a surplus becomes too high, rate action may be taken that could result in a premium holiday or a premium reduction. Deficits in the Plan

would be addressed through increased premium rates. In such case, a joint recommendation from IA, TBS and the OCA is presented to the Board of Trustees for its review and support. Subsequently, TBS forwards the trustee-approved recommendation to the President of the Treasury Board for final approval.

The President of the Treasury Board approved the following rate actions effective April 1, 2023:

- Premium reinstatement and a 15% rate decrease for the Main Basic Life Plan
- 12 month premium holiday for the Main Supplementary Life Plan
- 12 month premium holiday for the Executive Basic Life Plan
- 12 month premium holiday for the Members of Parliament Basic Life Plan
- 12 month premium holiday for the Main Accidental Death & Dismemberment Plan
- 12 month premium holiday for the Main Plan Dependents' Coverages
- 12 month premium holiday for the Executive Accidental Death & Dismemberment Plan
- 12 month premium holiday for the Executive Plan Dependents' Coverages
- 12 month premium holiday for the Members of Parliament Accidental Death & Dismemberment Plan

Further information

If you have questions about your coverage under the Plan or need general information about the benefits available, please contact your compensation advisor or consult the [Public Service Management Insurance Plan](#).

From:

- **Treasury Board of Canada Secretariat**

Date modified: 2025-10-28

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