



Summary of the 2024 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, 2024, LTD membership was approximately 56,543 employees, representing an increase of 3.1% 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, 2024, were as follows:

- Dr. Harpreet S. Kochhar, Chair of the PSMIP Board of Trustees and Deputy Minister of Immigration, Refugees and Citizenship Canada
- Arun Thangaraj, Deputy Minister of Transport Canada
- Cindy Termorshuizen, Deputy Minister of Foreign Affairs
- Arianne Reza, Deputy Minister of Public Services and Procurement Canada
- Andrew Brown, Associate Deputy Minister of Canadian Heritage
- Frances McRae, Deputy Minister of Women and Gender Equality Canada

Scope of the plan

In 2024, all benefits paid under the plan totalled \$106.5 million, a \$6.5 million increase compared to 2023. Benefits paid to LTD claimants totalled \$91.4 million, up from \$86.4 million in 2023.

AD&D benefits totalled \$750,000 compared to \$507,500 in 2023. Life insurance benefits amounted to \$14.3 million in 2024, an increase of \$1.3 million compared to a year earlier.

Premiums and benefits

Premiums paid into the plan during 2024 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 (and increases to reserves)	Ratio of claims to premiums
Basic Life	\$12,390,000	\$8,806,000	71.07%
Supplementary Life	\$2,714,000	\$2,885,000	106.30%
Members' AD&D	\$694,000	\$664,000	95.68%
Dependants' Life and AD&D	\$315,000	\$58,000	18.41%
LTD	\$119,982,000	\$165,207,000	137.69%
Post-Retirement Life Insurance Plan (PRLIP)	\$10,657,000	\$7,714,000	72.38%
Total	\$146,752,000	\$185,334,000	126.29%

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 \$511.6 million in 2024 from \$ 432.7 million in 2023. LTD reserves increased by \$58.6 million. Life insurances reserves increased by \$5.1 million, whereas AD&D reserves decreased by \$0.1 million.

Surplus/deficit

In 2024, the total plan surplus (excluding the Post-Retirement Life Reserve) decreased by \$17.8 million to \$139.3 million from \$157.1 million in 2023. LTD accumulated surplus at year end 2024 totalled \$112.0 million compared to \$132.0 million in 2023.

Plan disbursements

The total amount disbursed by the plan in 2024 was \$193.9 million. Of this amount, \$106.5 million was paid in the form of benefits to plan members and their families, \$5.5 million was for expenses, and \$2.8 million was for premium taxes. Other expenses included a catastrophe premium of \$0.2 million and a reserve increase of \$78.9 million.

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 Financial Group, 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, 2025:

- 12-month premium holiday for the Main Plan Basic Life Plan
- 12-month premium holiday for the Main Plan Accidental Death & Dismemberment Plan
- 12-month premium holiday for the Main Plan Dependents' Coverage
- 12-month premium holiday for Main Supplementary Life Plan
- 12-month premium holiday for the Executive Plan Basic Life Plan
- 12-month premium holiday for Executive Plan Dependents' Coverage
- 12-month premium holiday for the Members of Parliament Basic Life Plan
- 12-month premium holiday for the Members of Parliament Accidental Death & Dismemberment Plan
- 12-month premium holiday for the Members of Parliament Dependents' Coverage
- 12-month premium holiday for Judges Dependents' Coverage

For 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](#).

Date modified: 2026-01-06

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