

The background of the entire page is a blurred photograph of a classroom. In the foreground, three red plastic pencil holders are filled with various colored pencils (pink, yellow, green, blue, and dark blue). The background shows rows of white desks and blue chairs, with large windows letting in natural light. The overall scene is bright and clean.

# 2024 Financial Report

January 1, 2024 - December 31, 2024



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mental health and other supportive services. By connecting covered members to medical specialists and therapeutic treatment, ASEBP helped them return to work sooner and reduced the duration and frequency of extended leaves.

While the financial performance in 2024 has been encouraging, ASEBP understands the cost pressures employers and covered members continue to face and remains deeply committed to the long-term sustainability of the Plan. The organization actively pursues opportunities to support affordability and access to care. Whether working closely with partners, monitoring trends with the health and wellness industry, or ensuring fiscal responsibility in all business decisions, ASEBP continues to buffer against external factors such as rising drug costs and higher Extended Health Care utilization.

2024 paints a bright picture for the years ahead, as we reaffirm our strategic direction and maintain our commitment to covered members and employers. On behalf of the ASEBP Trustees, I thank you for your continued trust and support and invite you to review the 2024 Financial Report.

All the best,

*Daryl Scott*

Daryl Scott, ASEBP Chair

## Message from the Chair

In 2024, ASEBP continued to adapt and demonstrate resilience after several years marked by volatility and global uncertainty. This ability to navigate change has fueled ASEBP's financial momentum, and the growth and stability of the Plan.

As someone who has had the pleasure of serving as an ASEBP Trustee since 2018, and as Chair since 2023, I have watched the organization constantly shift and evolve to meet the unique challenges in Alberta's public education sector. The past few years have challenged many organizations to rethink how they operate, and ASEBP has not only adapted but emerged stronger and more focused.

That focus translated into meaningful growth in 2024, including the onboarding of Rocky View Schools and an increase in MyRetiree Plan enrolments. In Disability Services, a key initiative was offering earlier support to covered members on leave, through improved access to

### 2024 ASEBP Trustees\*

Daryl Scott, *Chair*  
Meagan Kuik  
Brett Nixon  
Morey Terry  
Rob Pirie

James Gerun, *Vice-Chair*  
Judy Muir  
Kim Pasula  
Natashya Shewchuk  
Brad Toone

\*As at December 31, 2024



## Message from the Interim CEO

As I look back on another year, I am filled with pride for the resilience, focus, and commitment demonstrated across the entire organization. The organization took meaningful steps forward, not only in financial performance, but also in the way it serves and supports covered members.

ASEBP was especially pleased to grow its covered member base in 2024 through the addition of Rocky View Schools and continued enrolments in the MyRetiree Plan. These milestones reflect the trust employers and covered members place in ASEBP, as we remain focused on promoting and protecting their health and wellbeing. Maintaining these strong relationships is essential to making thoughtful decisions about Plan changes and premiums, while also ensuring ASEBP's long-term sustainability.

In 2024, ASEBP continued to take a disciplined approach to managing costs, through administrative efficiencies, diversified investments, and opportunities in disability management to offer earlier supports and improve durations. Rising prescription costs and increased Extended Health Care utilization continue to shape our environment, and ASEBP is well positioned to navigate these pressures by actively exploring sustainability measures alongside access to care.

I would like to extend my deep gratitude to our parent bodies, employers, covered members, and community partners for working with us to find this balance to ensure the Plan can support covered members for many years to come. The health of our covered members is a shared responsibility, and ASEBP remains committed to finding ways to adapt, grow, and improve, together.

ASEBP remains focused on the evolving needs of Alberta's public education sector. The organization is dedicated to serving covered members with understanding and professionalism and supporting employers through consistent communication and transparency. These commitments have been woven into the fabric of ASEBP culture over the last 56 years and will continue to drive how ASEBP does business well into the future.

Yours truly,

*Jocelyn Plakas-Lock*

Jocelyn Plakas-Lock, Interim CEO



## 2024 ASEBP Executive

Kelli Littlechilds, Chief Executive Officer  
Jocelyn Plakas-Lock, Interim Chief Executive  
Officer/Chief Operating Officer  
Lucian Schulte, Chief Innovation & Finance  
Officer  
Dr. Carlyn Volume-Smith, Chief Stakeholder  
Relations Officer





## Financial Commentary

### from the Director, Financial Services

2024 has been characterized by renewed growth and financial stability, with key performance indicators surpassing levels not seen since before the COVID-19 pandemic in 2019. ASEBP's financial performance in 2024 reflects continued progress and momentum, building on the resilience and adaptability developed through the past several years.

## Membership Growth

The Plan saw total covered members grow by 6.4 per cent from the previous year in 2023. This substantial growth is primarily attributed to the successful onboarding of Rocky View Schools as well as sustained interest in the MyRetiree Plan, punctuating ASEBP's ability to support education workers at every stage of their careers into retirement.

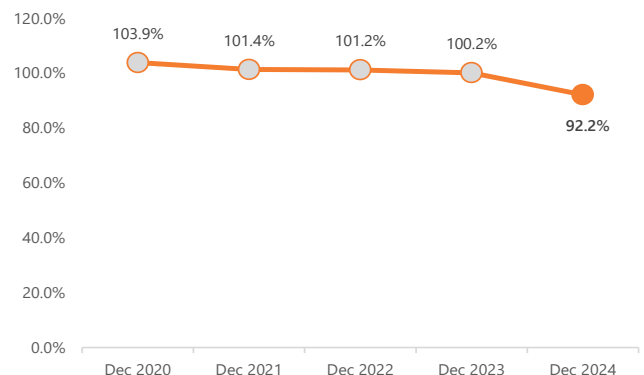
This membership boost, combined with a 7.8 per cent approved rate increase, pushed net premium revenues to \$388.1 million, which is 14.0 per cent higher than last year and 2.3 per cent above forecast. In total, revenues (including administrative fees and interest income) reached \$391.4 million, surpassing forecast expectations by 2.5 per cent.

## Claims Performance and Plan Experience

ASEBP's overall claims outlook has improved significantly since last year, reflecting a return to typical health utilization and effective benefits management. Targeted initiatives, particularly in disability management and early intervention, have proven effective in reducing the duration and frequency of extended leaves. This, alongside judicious monitoring of claim trends and enhancements to plan design, have improved overall performance and reduced reserve obligations.

By year-end, the Plan achieved a healthier balance between incoming and outgoing claims, marking a significant shift from the uncertainties of the pandemic era and ensuring that coverage remains accessible to covered members and is financially sustainable.

## Paid Loss Ratio





## Extended Disability Benefits

A highlight within disability claims was an increased focus on earlier treatment and integrated mental health services to support employees in returning to work sooner. This strategy will remain a key focus in maintaining financial stability for the Plan in the years ahead.

## Extended Health Care (EHC), Dental, and Vision

While EHC experienced modest growth in usage, the Plan's proactive strategies and formulary oversight helped to mitigate higher-than-expected costs. Dental and Vision usage remained relatively steady, confirming that rates and plan designs continue to align well with covered members' needs. Both benefit lines reflect a stable trend toward routine checkups and preventive care, which is a positive sign suggesting a return to more conventional use post-pandemic.

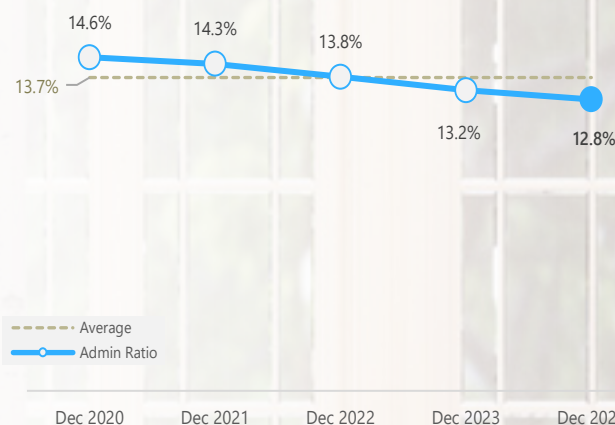
## Prescription Drug Trends

Drug costs represent a substantial component of EHC costs and have seen rapid growth, in costs and utilization. Medications for chronic conditions and preventive treatments continue to influence utilization. New specialty therapies, including those for diabetes and weight management, are entering the market, driving up costs and interest. ASEBP's formulary strategies remain attuned to these developments, emphasizing cost-effectiveness and evidence-based prescribing. As the organization moves forward, balancing coverage with sustainable plan spending will remain a priority.

## Administrative Efficiencies and Expenses

Administrative costs were 3.9 per cent under budget, leading to an administration ratio of 12.8 per cent. This ratio has improved from last year and remains well below the five-year average of 14.2 per cent. Lower-than-expected hiring expenses, selective project prioritization, and renegotiated licensing agreements all contributed to streamlining overhead costs. Overall, these efficiencies strengthen the Plan's financial position and enhance ASEBP's ability to adapt to evolving covered member and employer needs.

### Administrative Ratio



## Investments: Strength Through Diversification

ASEBP's investment portfolio ended 2024 at \$589.6 million, reflecting a year-over-year increase of 6.9 per cent. This gain was driven by strong equity returns, particularly in the technology sector, coupled with private equity distributions. Fixed income faced temporary headwinds due to higher interest rates earlier in the year but are well-positioned to tackle the economic challenges of 2025.

Strategic diversification across multiple asset classes of equities, fixed income, and alternative assets has successfully resulted in consistent growth amid constant market volatility.


A key strength of ASEBP's portfolio remains in diversity, which has proven resilient, generating stabilizing returns and offsetting sector-specific risks, in spite of challenging economic conditions.

## Looking Ahead

ASEBP's progress in 2024 reflects a strong and positive trajectory. Building on the resilience demonstrated over the past four years, the organization has entered a phase of renewed growth and momentum, marked by stronger financial ratios and expanding membership. While ASEBP remains attentive to risks such as drug inflation and market variability, its continued focus on premium rate alignment, expense management, and diversified investments positions it well for the future.







ASEBP will continue to:

- Improve disability management through early engagement and efficient return-to-work plans.
- Control specialty drug and high-cost therapy costs through strategic monitoring.
- Optimize administration for efficiency and cost reduction.
- Maintain a diversified investment strategy to safeguard assets during market fluctuations.

Together, these initiatives further enhance the sustainability of the Plan while maintaining high-quality coverage for all covered members. Reflecting on 2024, ASEBP's resourcefulness and agility have highlighted the collective strength of its team, employers, and covered members working in partnership to ensure the continued strength of the Plan for years to come.

Sincerely,

*Nazz Baksh*

Nazz Baksh, Director, Financial Services



## **FINANCIAL STATEMENTS AND NOTES**

December 31, 2024



# MANAGEMENT'S STATEMENT OF RESPONSIBILITY

Management is responsible for the preparation and presentation of the accompanying financial statements for the Alberta School Employee Benefit Plan (ASEBP, the Organization, or the Plan) in accordance with Canadian accounting standards for pension plans.

The Organization's third-party Actuary values the benefit plan liabilities of ASEBP as presented in the statements of financial position, changes in benefit plan obligations, and the changes in net assets available for benefits. Management retains ultimate responsibility for the amounts determined by the Actuary.

Financial statements are not precise, as they include certain amounts based on estimates and judgments. When alternative methods exist, management has chosen those it deems most appropriate to ensure the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for pension plans.

Management maintains adequate systems of internal accounting and administrative controls consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant and reliable, and that the Organization's assets are appropriately accounted for and adequately safeguarded. The ASEBP Trustees ensure management fulfills its responsibilities for financial reporting and internal control through an Audit & Risk Committee (ARC). This committee meets periodically with management and the external auditors to discuss internal controls, audit matters, and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The ARC reviews the financial statements and reports to the ASEBP Trustees. The external auditors have full and direct access to the ARC.

Signed,



**Jocelyn Plakas-Lock**  
Interim Chief Executive Officer



**Nazz Baksh, MBA, CPA, CMA**  
Director, Financial Services



**KPMG LLP**

2200, 10175 – 101 Street  
Edmonton, AB T5J 0H3  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Covered Members of Alberta School Employee Benefit Plan

### ***Opinion***

We have audited the financial statements of Alberta School Employee Benefit Plan (the Plan), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in plan obligations for the year then ended
- and notes to the financial statements, including a summary of material accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2024, and its changes in net assets available for benefits and its changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

### ***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 auditor's report.

We are independent of the Plan 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, 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 the Plan's 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 Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's 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 the 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 Plan's 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 material doubt on the Plan's 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 Plan 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and material audit findings, including any material deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Edmonton, Canada

September 19, 2025



# ACTUARY'S REPORT

## To the Covered Members of the Alberta School Employee Benefit Plan:

I have valued the benefit plan of the Alberta School Employee Benefit Plan for its statement of financial position as at December 31, 2024 and changes in net assets available for benefits and changes in plan obligations for the periods then ended. These valuations were carried out in accordance with accepted actuarial practice, using appropriate assumptions and methods. In my opinion, the amount of benefit plan liabilities makes appropriate provisions for all Covered Members' obligations. The results are also fairly presented in the financial statements and the notes thereto.

DocuSigned by:  
*Isabel Boyer*  
5EAS48673BCA445

Isabel Boyer, FSA, FCIA  
Aon Solutions Canada Inc.

Edmonton, Alberta

# STATEMENT OF FINANCIAL POSITION

As at December 31

(Thousands of Canadian dollars)

	2024	2023
<b>Assets</b>		
Operating assets		
Cash and cash equivalents	\$ 8,051	\$ 14,295
Receivables	19,527	18,864
Prepaid expenses	9,823	1,914
Total operating assets	37,401	35,073
Assets held in trust		
Cash and cash equivalents held for spending accounts	23,848	22,627
Invested assets		
Cash and cash equivalents	11,105	1,488
Investments	578,461	550,216
Total invested assets	589,566	551,704
Capital assets		
Tangible capital assets and right-of-use asset	8,728	10,044
Intangible capital assets	4,104	5,766
Total capital assets	12,832	15,810
<b>Total assets</b>	<b>\$ 663,647</b>	<b>\$ 625,214</b>
<b>Liabilities</b>		
Trade and other payables	\$ 4,703	\$ 3,506
Right-of-use lease liability	8,345	9,353
Spending account obligations	23,848	22,627
Other benefit plan liabilities	19,950	14,443
<b>Total liabilities</b>	<b>56,846</b>	<b>49,929</b>
<b>Provision for future policy benefits</b>		
Reserve obligations	437,396	440,684
Incurred but not reported provisions	31,186	30,844
<b>Total future policy benefits</b>	<b>468,582</b>	<b>471,528</b>
<b>Capital adequacy reserve</b>	<b>132,165</b>	<b>103,757</b>
<b>Net assets available for benefits</b>	<b>\$ 6,054</b>	<b>\$ -</b>

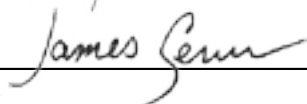
Commitments and contingencies

On behalf of the Trustees:

Chair:



Vice-Chair:



# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31

(Thousands of Canadian dollars)

	2024	2023
<b>Increase in net assets:</b>		
Benefit plan contract revenues		
Benefit premiums	\$ 388,114	\$ 340,519
Investments		
Interest and dividends	14,762	21,163
Other income	3,852	3,339
Change in fair value		
Net unrealized gain on investments	33,135	36,350
Net realized gain from investment sales	7,115	-
Decrease in provision for future policy benefits		
Reserve obligations	3,288	7,131
	<b>450,266</b>	<b>408,502</b>
<b>Decrease in net assets:</b>		
Benefit plan contract expenses		
Benefit claims incurred	361,303	343,202
Investments		
Management fees and other expenses	4,634	3,604
Change in fair value		
Net realized loss from investment sales	-	17,658
Increase in provision for future policy benefits		
Incurred but not reported provisions	342	1,022
Administration expenses	49,525	44,826
	<b>415,804</b>	<b>410,312</b>
<b>Increase (decrease) in net assets available for benefits</b>	<b>34,462</b>	<b>(1,810)</b>
Net assets available for benefits, beginning of period	-	-
Transfer (to) from capital adequacy reserve	(28,408)	1,810
<b>Net assets available for benefits, end of period</b>	<b>\$ 6,054</b>	<b>\$ -</b>
<b>Capital adequacy reserve (CAR)</b>	<b>2024</b>	<b>2023</b>
<b>Beginning of period</b>	<b>\$ 103,757</b>	<b>\$ 105,567</b>
Transfer from (to) net assets available for benefits	28,408	(1,810)
<b>End of period</b>	<b>\$ 132,165</b>	<b>\$ 103,757</b>



# STATEMENT OF CHANGES IN PLAN OBLIGATIONS

For the years ended December 31

(Thousands of Canadian dollars)

	2024						
	Plan obligations, beginning of period	Benefits accumulated	Benefits paid	Interest on obligation	RITE <sup>(1)</sup> impact	Plan experience adjustments <sup>(2)</sup>	Plan obligations, end of period
Extended disability	\$ 394,048	\$ (577)	\$ (65,118)	\$ 19,516	\$ (11,246)	\$ 52,088	\$ 388,711
RITE <sup>(1)</sup>	11,663	-	(3,052)	558	2,855	38	12,062
Extended health care	62,084	4,098	(11,246)	2,999	(1,660)	7,644	63,919
Dental	1,458	1,618	(1,458)	-	-	-	1,618
Vision	273	304	(273)	-	-	-	304
Life insurance	2,002	-	-	31	-	(65)	1,968
<b>Total</b>	<b>471,528</b>	<b>5,443</b>	<b>(81,147)</b>	<b>23,104</b>	<b>(10,051)</b>	<b>59,705</b>	<b>468,582</b>

	2023						
	Plan obligations, beginning of period	Benefits accumulated	Benefits paid	Interest on obligation	RITE <sup>(1)</sup> impact	Plan experience adjustments <sup>(2)</sup>	Plan obligations, end of period
Extended disability	\$ 408,064	\$ (1,028)	\$ (68,789)	\$ 19,915	\$ (16,964)	\$ 52,850	\$ 394,048
RITE <sup>(1)</sup>	10,841	-	(2,732)	522	2,584	448	11,663
Extended health care	55,056	4,393	(10,371)	2,642	(1,366)	11,730	62,084
Dental	1,343	1,458	(1,343)	-	-	-	1,458
Vision	254	273	(254)	-	-	-	273
Life insurance	2,079	-	-	33	-	(110)	2,002
<b>Total</b>	<b>477,637</b>	<b>5,096</b>	<b>(83,489)</b>	<b>23,112</b>	<b>(15,746)</b>	<b>64,918</b>	<b>471,528</b>

<sup>(1)</sup> Retirement incentives for extended disability benefit recipients

<sup>(2)</sup> Includes net experience gains (losses), changes in the claims fluctuation reserve obligation and gains (losses) on IBNR

# SUPPLEMENTARY INFORMATION - STATEMENT OF CASH FLOWS

For the years ended December 31  
(Thousands of Canadian dollars)

	2024	2023
<b>Cash flows (used in) from operating activities</b>		
Increase (decrease) in net assets available for benefits	\$ 34,462	\$ (1,810)
Items not impacting cash:		
Amortization and depreciation	2,206	878
Interest from lease liability	356	396
Realized loss (gain) on disposal of investments	(7,115)	17,658
Unrealized gain on investments	(33,135)	(36,350)
Loss on disposal of intangible assets	1,197	741
	(2,029)	(18,487)
Changes in non-cash operating working capital:		
Receivables	(663)	(3,826)
Prepaid expenses	(7,909)	775
Trade and other payables	1,197	(80)
Spending account obligations	1,221	(437)
Reserve obligations	(3,288)	(7,131)
Incurred but not reported provisions	342	1,022
Other benefit plan liabilities	5,507	3,426
<b>Total cash flows used in operating activities</b>	<b>(5,622)</b>	<b>(24,738)</b>
<b>Cash flows used in financing activities</b>		
Lease payments	(1,364)	(1,363)
<b>Total cash flows used in financing activities</b>	<b>(1,364)</b>	<b>(1,363)</b>
<b>Cash flows (used in) from investing activities</b>		
Purchases of investments	(34,868)	(87,524)
Reinvested interest and dividend income	(14,762)	(21,163)
Proceeds on sale of investments	59,469	133,045
Limited partnership management fees	2,166	1,857
Purchase of tangible and intangible capital assets	(425)	(1,709)
<b>Total cash flows from investing activities</b>	<b>11,580</b>	<b>24,506</b>
Net increase (decrease) in cash and cash equivalents	4,594	(1,595)
Cash and cash equivalents, beginning of period	38,410	40,005
<b>Cash and cash equivalents, end of period</b>	<b>43,004</b>	<b>\$ 38,410</b>
<b>Cash and cash equivalents consists of:</b>		
Invested cash and cash equivalents	11,105	\$ 1,488
Operating cash and cash equivalents	8,051	14,295
Cash and cash equivalents held for spending accounts	23,848	22,627
<b>Total cash and cash equivalents, end of period</b>	<b>43,004</b>	<b>\$ 38,410</b>

