

# PlanTalk

VOLUME 4

FALL, 2000

## Ad Hoc COLA Granted

The HEPP Board of Trustees has approved a 2.03% cost of living adjustment (COLA) for members who retired on or before July 1, 1999, deferred vested members and disabled members. The increase is effective January 1, 2001.

Members who retired between July 1, 1999 and July 1, 2000 will be eligible to receive a pro-rated COLA, based on the number of months of retirement during the 11 months prior to July 1, 2000.

The board has allocated 9.8 million dollars of the plan surplus to grant the COLA. It is the 3rd COLA granted since HEPP's inception in 1997.

COLAs are reviewed every year and may be granted on an ad hoc basis. This means they are not guaranteed, and are granted only if HEPP is in a financial position to do so. Board decisions are based on advice from HEPP's actuary.

It is stated in the HEPP Plan Text that, if granted, a COLA will equal 70 per cent of the consumer price index (CPI) during the 12 month period ending as of the preceding June 30. This year's CPI was 2.90 per cent.

The chart below shows the percentage increases based on the date of the member's first pension benefit payment.

FIRST PAYMENT DATE	COLA %
On or before Aug. 1, 1999	2.03
September 1, 1999	1.86
October 1, 1999	1.69
November 1, 1999	1.52
December 1, 1999	1.35
January 1, 2000	1.18
February 1, 2000	1.02
March 1, 2000	0.85
April 1, 2000	0.68
May 1, 2000	0.51
June 1, 2000	0.34
July 1, 2000	0.17

## Benefit Summary Correction

### Group Healthcare Plan

We would like to apologize for an error on member Benefit Summaries that went out during this summer's open enrolment indicating 100% coverage on cardiac rehab benefits. On both the HEBP basic and enhanced plans, cardiac rehab benefits are paid at 80%.

## Board Member Profile



Bob Malazdewich, newly elected as the Chair of the HEPP Board in June, looks forward to HEPP becoming one of the largest plans in the province in terms of membership and plan assets. "We are growing quickly and look forward to new healthcare workers and facilities joining the plan in the future," he says, "After just two years, we have passed the two billion dollar mark in total assets and have over 38,000 members, making us one of the largest pension plans in the province."

As one of the board's charter members, Bob previously sat on the Manitoba Health Organization's (MHO) Pension and Investment Committee which evolved into HEPP in 1997.

Bob is involved with pension and benefit plans throughout the province. He is a member of the Board of Directors and the chair of the Pension Committee at Manitoba Blue Cross and sits on pension and benefits boards for the City of Winnipeg, the Province Wide Municipal Plan and the Teacher's Retirement Allowances Fund (TRAF).

Recently appointed the Regional Director at the Canadian Union of Public Employees (CUPE) in Manitoba, Bob oversees the administration operations in the province, managing staff and developing programs.

Bob has enjoyed being part of the growth and changes HEPP has gone through during its first two years, but one of the biggest highlights for him was when pension improvements were announced last year. "It's very rewarding when we receive feedback from members who are thankful for their pensions and happy about the indexing of their pensions and supplementary benefits."

Bob, along with the HEPP board, plans to focus on continuing to improve pension benefits and make sure that there is enough surplus in the plan to protect member's benefits. "The board always has the best interests of plan members and retirees in mind," he says adding that the joint board made up of both employers and unions works well. "It gives members a say in what will happen with their pensions in the future, and it is everyone's input and dedication to assuring that plan members get exceptional pension benefits for their contributions, and exceptional service, that contributes to the success of the plan."

PlanTalk, a newsletter for employees and retirees participating in the Healthcare Employees Pension and Benefits Plan, is published by:

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## Highlights...

### In This Issue

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- p1** HEPP Board Chair Bob Malazdewich is featured in our first Board Member Profile
- p2** An explanation of the policies on increasing your Group Life coverage
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- p3** Your feedback on the HEPP 1999 Annual Report
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## Welcome!

A number of facilities have joined HEPP/HEBP since spring and are participating in one or more plans:

- Rosewood Village
- Maples Personal Care Home
- Kildonan Personal Care Home
- Southwest Community Options
- St. Norbert Nursing Home
- St. Adolphe Nursing Home

The continuing expansion of participating facilities means increased portability of pension and benefits for our members throughout Manitoba.

# The Inside Story ...

## On Benefits

### Group Healthcare

#### EDS Claims

For Manitoba Blue Cross, the plan carrier, to cover HEBP Group Healthcare drug claims the drugs must be eligible under Pharmacare and all Pharmacare requirements must be met.

Pharmacare categorizes drugs into three categories of coverage in a formulary:

- Part I, the major part of the formulary, lists drugs that are eligible.
- Part II lists a select few drugs called EDS (Exceptional Drug Status) drugs. These are only covered when the patient meets circumstances stated in the formulary, in which case, the doctor will write, "Meets EDS" on the prescription and the drug is then eligible.
- Part III drugs can be any prescribed drugs not listed in Part I or Part II which may be allowed on a special exception basis. The doctor must call Pharmacare and request that the drug receive approval as Part III Exceptional Drug Status drug coverage. It's up to Pharmacare whether or not to approve coverage depending on the health needs of the patient and other circumstances. If coverage is allowed, Pharmacare will cover the drug for one year. After one year, the drug will no longer be eligible unless your doctor reappeals.

*"Meets EDS" should be clearly indicated on your pharmacy receipt*

*If you have an EDS drug claim, "Meets EDS" should be clearly indicated on your pharmacy receipt to ensure proper payment by Blue Cross.*

### Group Life

#### Increasing Your Coverage

Often new employees decide they need only minimum Group Life coverage. However, when circumstances change, they want more insurance for themselves or family members. It's important to understand the policies on increasing coverage as, depending on when and why an increase is requested, some restrictions can apply.

Most employers participating in the HEBP Group Life Plan automatically provide all eligible part- or full-time employees with insurance equal to one times the employees' annual earnings.

At any time during the first three months of employment, employees can increase coverage (to a maximum of three times annual earnings) simply by completing a Group Life Enrolment & Change form and authorizing the premiums to be deducted from their pay. During this time they can also sign up for family insurance to a maximum of 10 units - each unit covers a partner for \$5,000 and each eligible dependent for \$2,000.

After three months of employment, employees are given an additional 60-day "grace period" to decide if they would like to increase their insurance within allowed maximums and can still do so simply by completing a Group Life Enrolment & Change form. Following this, it is still possible to increase insurance levels, however, now the plan insurer, Great-West Life, requires that employees complete and submit an Evidence of Insurability form with medical information about themselves and any family members they want to insure.

If Great-West Life decides there is no undue risk to insure the member or their family at the higher insurance amount, they will advise the employee and employer. The employer will then process the increased premiums. *If the request is denied, the coverage cannot be increased.*

The only exception where employees may increase coverage on their life/family insurance after the first three months of employment and the 60-day "grace period", without restrictions, is *within 60 days of a significant life event: marriage, separation/divorce from a partner, death of a partner or acquiring a dependent child.* If increases are requested following the 60 days, Great-West Life will require an Evidence of Insurability form to be completed.

### Eye Exam

#### Coverage Adjustment

When coverage for eye exams was added to the HEBP Vision Plan last year, there was a discrepancy regarding the amount to be covered.

When eye exams were insured under Manitoba Health, the amount paid per visit was either \$28.50 or \$29.60. When these services were de-insured, the rate per eye exam increased to anywhere from \$40.00 to \$55.00.

For this reason, Blue Cross uses a fee guide they have established on a reasonable and customary basis. It lists a maximum payout of \$46.00 per eye exam.

In order to contain plan costs, a reasonable maximum payout is necessary. Until now, claims have been paid as billed, however, *effective immediately, there will be a maximum payout of \$46.00 per eye exam.*

### LTD Service Representatives

When members have to use Long Term Disability (LTD) benefits they often have many questions and concerns.

That is why HEBP has designated two staff representatives to assist members through this process.

Rae Jones-Roche and Gwen Dubois are experienced in answering questions about LTD claims and rehabilitation programs and are available to help with any of the concerns members on LTD may have. They can be reached by phone at (204) 942-6591 or toll free at 1-888-842-4233 or 1-877-567-4996.

# The Inside Story ...



## On Pension

## Member Feedback

### Member Feedback

#### HEPP 1999 Annual Report

The 1999 HEPP Annual Report included a response card requesting your feedback on the format and contents of the document.

Following is a breakdown of some of your responses.

In comparison with last year, results indicated that readership of the report was approximately the same.

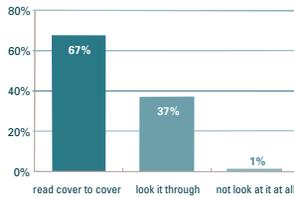
Most respondents found the report informative, with 10% more respondents finding the report very informative.

The number of respondents that found the report "easy to read" increased 13% and there was a decrease in the number of respondents finding the report intimidating or difficult to understand.

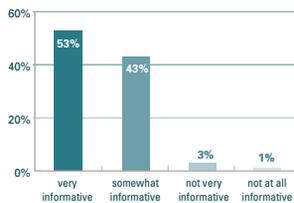
87% of respondents reported an increase in knowledge about the pension plan, up 3% from last year, and 87% of respondents reported increased confidence in the plan, up 24% from last year.

We would like to thank all respondents. Your feedback and comments help us to evaluate our communications efforts and set future goals and priorities.

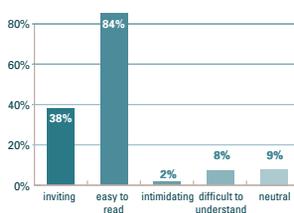
When you received the annual report did you...



Generally, did you find the report to be...



Overall feelings about the style and format



### Open Enrolment Update

#### Group Healthcare Benefits

Between June 1 and August 31, 2000, employees of participating healthcare facilities and retirees were offered the opportunity to enrol in the HEPP Group Healthcare Plan or increase their coverage. They were also given the opportunity to sign up for the BlueNet point of sale drug card which reduces the need to submit paper claims for prescription drugs covered under the plan.

Employees and employers responded under tight deadlines, and by June 16 Manitoba Blue Cross, the plan carrier, was in full swing processing new enrolments and changes in time for the July 1 effective date.

In total, 1,163 active employees were newly enrolled in the HEPP Group Healthcare Plan, 4,788 changed from basic to enhanced coverage and 4,425 signed up for the BlueNet drug card.

Altogether, 921 retirees enrolled for Retiree Level 1 coverage, 920 retirees enrolled for Retiree Level 2 coverage and 1231 retirees signed up for the BlueNet drug card.

A "grace period" between July 1 and August 31 allowed members who might not have received open enrolment information, due to vacation schedules, to submit their applications to Manitoba Blue Cross.

Effective September 1, 2000, the open enrolment offer ended, however, exceptions may be made for eligible employees returning from a leave of absence on or after September 1, 2000 provided that they enrol within 60 days of their return to work.

Further open enrolments will be offered at the discretion of the HEPP Board.

### Thank you

The United Way extends their appreciation to HEPP/HEBP members for their generous contributions. Thanks to you, a total of \$330,000 was raised for our community in the 1999 Campaign.

As United Way undertakes their 36th annual campaign, they thank you for your continued support. If retired members wish to continue supporting United Way with personal donations, as they no longer contribute through employers, please contact:

**Sue Kennedy**  
The United Way  
3rd Floor, 5 Donald Street  
Winnipeg, Manitoba R3L 2T4  
Phone: 477-5360  
Fax: 453-6198

Your contributions go directly to agencies and services to help make positive changes in the lives of children, youth, parents and seniors in neighborhoods across Manitoba every day. You can even specify agencies you would like your contributions to benefit.

This year, United Way will continue its work as a unique community asset and vehicle to mobilize good ideas and the people and resources necessary to make good things happen in Manitoba. Through Journey Forward, a community involvement initiative, United Way has brought together the voices and ideas of more than 3,000 citizens to identify Manitoba's most important social issues.

## We Appreciate Your Feedback...

If you have a comment or suggestion for PlanTalk, please write us at:

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# Employee Profile



**M**ember Services Representative (MSR) Sherry Wityshyn goes the extra mile to help HEPP/HEBP members understand the benefits available to them and answer their questions. She travels with other MSR's to facilities throughout Manitoba giving seminars and presentations on all benefits and pre-retirement where, she says, "Answering one question always leads to another question providing a great overview for members."

With over 10 years of experience in pension and benefits including a background in retirement and financial planning and long term disability counseling, Sherry shares valuable advice with members at seminars and presentations. "At seminars, we're available for one on one questions on benefits, pre-retirement options and pension payments so members understand what their options are prior to retirement."

Sherry also concentrates on marriage break up, where pension legislation states that all pension benefits earned during the period of marriage, whether legal or declared common-law, are to be divided between the member and the member's ex spouse.

In the event of a break up, Sherry advises that the following process be taken care of immediately:

1. Contact HEPP with details of your separation.
2. HEPP will ask for a copy of the signed separation agreement or a completed Statement of Facts form, which will be provided to you. Send this information as soon as possible.
3. Calculations are done and both parties are advised on the benefit earned during the period of the marriage and what the ex spouse is entitled to. The only way to stop the pension from being divided is for both parties to sign a waiver, in which case, both parties must obtain independent legal advice and receive specific financial information about the pension benefit.
4. If the pension is divided, HEPP will require a copy of the court order or separation agreement stating that assets have been divided and the dates of the period of marriage.

"I can't urge members enough to resolve issues that will affect their pension benefits right away, especially during a marriage break up, to avoid delays in processing their benefits later on," says Sherry.

# Member Profile



**C**ontinuing to do what she enjoys has made the transition from working full time to retirement easy for Eleanor Polydore.

After retiring in September from being a healthcare aid in the Health Sciences Centre Psychiatry Department for over 27 years, she is going to work there casually in her retirement. "In my job, I enjoyed meeting and working with people and look forward to continuing this in my retirement," she says.

Eleanor is also going to continue her volunteer work at Meals on Wheels where she has helped deliver meals for over four years. "I enjoy visiting with the clients on my route," says Eleanor.

Retirement also gives Eleanor more time to visit with friends. "My friends play a very important role in my life."

"Having personal activities and interests that I enjoy has been very important in my retirement," says Eleanor. She enjoys a variety of activities. Some that she does with people and others that she does alone. "I knit, crochet, do cross stitch and embroidery, bake - I have even joined a bowling league."

"I'm looking forward to doing more traveling as well," says Eleanor who is going to Mexico in February.

"It has also been important to have security with a plan like HEPP in retirement," says Eleanor. After receiving the retirement options package that was mailed out to her, Eleanor reviewed it, decided what she wanted to do, filled it out and made an appointment with one of the member services representatives (MSRs) at HEPP. "This was very helpful," says Eleanor, "The MSR explained the process step by step and answered my questions. Now, I have lots of time for myself to do what I want to do."

# Retiree Corner

Retirement can bring over 2000 hours of additional "free time" each year for you to do whatever you choose. What do you want to do during that "free time"?

The freedom to set personal priorities for the additional time you will have in your retirement can be overwhelming. The following exercise may help you begin the process of finding and participating in activities you will enjoy and find personally satisfying in your retirement.

List the numbers from 1 to 20 down the center of a sheet of paper.

As fast as you can, without censoring, and in no particular order, list 20 things in life you love to do.

**Now, code your list:**

1. Put a \$ to the left of each item costing at least \$5.00
2. Put a "P" by each item which, for you, is more fun to do with people and an "A" by each item which you prefer doing alone
3. Put an N5 by any item you think would not have been on your list five years ago
4. Put "65" in front of any item which you won't be able to do, for any reason, after your retirement
5. Put an "R" next to the items you consider to have an element of risk to them, either physical or emotional
6. Put an "\*" in front of the five items you love to do the very most
7. Record the date that you last did each of the 20 items listed

Once your list is coded, complete the following statements.

- I learned that I ...*
- I relearned that I ...*
- I became aware that I ...*
- I was surprised that I ...*
- I was pleased that I ...*
- I was disappointed that I ...*
- I see that I need to ...*

# From the Boardroom

## Board Changes

The HEPP and HEBP Boards of Trustees welcome newly appointed trustee Gloria O'Rourke of the Labour Relations Secretariat to both boards.

The HEBP Board of Trustees welcomes newly appointed trustee Jean-Paul Gobeil.

