# PlanTalk

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## We're Changing

Over the course of 2010, throughout our communications, you will see our new name and logo reflecting recent changes and the continued evolution of our organization.

**HEB Manitoba**
HEALTHCARE EMPLOYEE BENEFIT PLANS
*A Secure Tomorrow Together*

The single name "HEB Manitoba" more effectively represents one organization serving all members' needs.

Our new logo with the tagline "A Secure Tomorrow Together" emphasizes our commitment to members and stakeholders through our mission and values to establish a new and higher standard for pension and benefit plans. It reflects the progressive changes we are making as an organization with a focus on improved delivery of services and benefit coverage, enhanced communication, strengthened relationships with stakeholders, and effective governance and management of funds.

Look for our new identity in member publications and other communications that will be gradually phased in over the coming months.

Later this year, a new website will be launched, which will make it easier for you to find the information you are looking for.

## in this Issue



# HEBP Dental Plan | Premium Increases Effective May 1, 2010

The HEBP Board of Trustees has approved premium increases for the Dental Plan, effective May 1, 2010. The premium increases are required to fund increased utilization and cover Manitoba Dental Association fee guide increases.

**Monthly Premium Increases for the Dental Plan**

| Coverage | Before Increase | Effective May 1, 2010 | Total Increase |
|---|---|---|---|
| Single | $27.10 | $27.92 | $0.82 |
| Family | $79.16 | $81.54 | $2.38 |

# HEBP Healthcare Plan | No Change to Healthcare Plan Premiums

Effective April 1, 2009, the new Healthcare Plan was introduced for all active members. At this time, premiums will remain at the rates that were established when the Plan was introduced.

**Monthly Premiums Remain Unchanged for the Healthcare Plan**

| Coverage | Employee Premium | Employer Premium | Total Premium |
|---|---|---|---|
| Single | $16.73 | $16.73 | $33.46 |
| Family | $41.73 | $41.73 | $83.46 |

# HEBP Healthcare Plan

## Important Update: Healthcare Spending Account Eligible Expenses

Expenses eligible for reimbursement from a Healthcare Spending Account (HSA) are governed by Canada Revenue Agency (CRA).

The recent federal budget removed expenses that are incurred for purely cosmetic reasons, including any related services and other expenses such as travel, from eligible expenses under CRA's medical expense tax credit, effective March 4, 2010.

The federal government periodically amends the medical expense tax credit guidelines. For details on eligible expenses, you can contact CRA at 1-800-959-8281, or visit www.cra.gc.ca to ensure you have the most up-to-date information on eligible expenses.

# HEBP Retiree Healthcare Plan

## No Change to Level I Retiree Healthcare Plan Premiums

No premium adjustments are required for the Level I Retiree Healthcare Plan at this time. Premiums will remain at $5.00 per month for single coverage and $8.75 per month for family coverage.

## Premium Increases Effective June 1, 2010 for Level II Retiree Healthcare Plan

In 2009, the total amount of claims and associated costs paid for the Level II Retiree Healthcare Plan exceeded the premiums collected by more than 4%. To ensure the Plan is adequately funded to pay future anticipated claims, the HEBP Board of Trustees has approved a premium increase for the Plan, effective June 1, 2010.

**Monthly Premium Increases for the Level II Retiree Healthcare Plan***

| Coverage | Before Increase | Effective June 1, 2010 | Total Increase |
|---|---|---|---|
| Single | $42.07 | $43.75 | $1.68 |
| Family | $66.49 | $69.15 | $2.66 |

* Retiree Healthcare premiums are automatically deducted from monthly HEPP pension payments.

# Did you know?
## Key Sources of Retirement Income

Your retirement income is typically based on three key sources: employer-sponsored pension plans, government-sponsored pension programs, and personal savings. Each of these sources of retirement income can be thought of as one piece of a three-piece pie.

**Key Sources of Retirement Income**


### Employer-Sponsored Pension Plans - Healthcare Employees' Pension Plan (HEPP)

The Healthcare Employees' Pension Plan (HEPP) administers your employer pension, and as such, we are able to provide you with information related to your HEPP pension options.

When considering retirement, we encourage members to contact HEPP and request a retirement package, which outlines estimated monthly pension amounts under the various retirement options available. Once you receive and review the information provided in the retirement package, we encourage you to make an appointment and meet with one of our Senior Pension & Benefits Specialists to review your personal information and retirement options.

HEPP Senior Pension & Benefits Specialists are not financial planners and cannot advise you on when to retire or what retirement options are best for your personal and financial situation, but they are available to answer any questions relating to your HEPP pension benefits.

### Government-Sponsored Programs

Generally, there are two government-sponsored pension programs, which are important sources of retirement income:

- Old Age Security (OAS) and Guaranteed Income Supplement (GIS), and
- Canada Pension Plan (CPP).

HEPP does not administer these plans, so we cannot provide you with specific information about your benefits under these programs. However, we can provide general information to ensure you factor these benefits into your retirement planning decisions.

**Old Age Security (OAS) and Guaranteed Income Supplement (GIS)**

OAS is a universal program that provides income to Canadians who reach age 65. Eligibility depends only on the period of residency in Canada. The eligibility rules are complex; generally, you must have resided in Canada for at least 10 years to be eligible for the OAS benefit. Unlike CPP, OAS is available only at age 65 or later, and deferring OAS beyond age 65 does not increase the amount of pension.

To be eligible for the GIS benefit, you must be receiving the OAS pension and meet specific income requirements.

For further information on the OAS and GIS program, please refer to the Service Canada website at http://www.servicecanada.gc.ca/eng/isp/oas/oastoc.shtml.

**Canada Pension Plan (CPP)**

A CPP retirement pension is a monthly benefit paid to those who have contributed to the Canada Pension Plan. CPP is designed to replace about 25% of the earnings on which a person's contributions were based, up to a maximum amount.

You can choose to receive your CPP pension as early as age 60 or any time up to the age of 70. Based on current provisions, your CPP pension is adjusted by 0.5% for each month before or after your 65th birthday from the time you begin to receive your pension.

For example, if you choose to receive your CPP at age 60, your pension would be reduced by 30% (i.e., 0.5% x 60 months). If you choose to receive your CPP at age 70, your pension would be increased by 30% (i.e., 0.5% x 60 months).

The age at which you choose to receive CPP and the amount of the CPP payable to you should be considered when making retirement plans.

**Proposed Changes to the Canada Pension Plan (CPP)**

CPP has adjusted pensions by 0.5%, as described above, since 1987. Due to significant shifts in economic and demographic factors these adjustments are reported to no longer ensure "actuarially fair"

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levels of pension payments. In order to gradually restore the actuarial fairness, the Federal, Provincial and Territorial Ministers of Finance have proposed changes to the CPP.

To ensure you are making an informed decision when deciding whether or not to retire you should be aware of the proposed changes to the CPP pension adjustments for early and late elections. Under the proposed changes:

- The early pension reduction, which is applied to pensions received as early as age 60, would be gradually increased from 0.5% to 0.6% for each month that the pension is received prior to age 65. The gradual increase would be applied over a period of five years, starting in 2012.
- The late pension adjustment, which increases the amount of the CPP pension, would be gradually increased from 0.5% to 0.7%, for each month that the pension is received after age 65 and up to age 70. The gradual increase would be applied over a period of three years, starting in 2011.

If the proposed changes are implemented and you were to choose to receive your CPP at age 60, the basic pension amount that you would have received at age 65 would be reduced by up to 36%. If you choose to receive your CPP at age 70, your pension would be increased by up to 42%.

Please note that in addition to the proposed changes to the pension adjustments for early and late pension elections, there are other proposed changes to the CPP provisions. For further information on these additional proposed changes, as well as the proposed changes to the pension adjustment for early and late pension elections, please refer to the Canada Pension Plan news release on the Department of Finance Canada website at http://www.fin.gc.ca/n08/data/09-051_1-eng.asp.

For general information on the CPP, please refer to the Service Canada website at http://www.servicecanada.gc.ca/eng/isp/cpp/cpptoc.shtml.

### Personal Savings

The third source of retirement income is comprised of your personal savings, such as registered retirement savings plans (RRSPs), investment income, home ownership, and other assets.

When considering retirement, you should look at all the pieces of your personal retirement income "pie" and make sure that you understand the impact of the decisions you are making. While HEPP staff can provide you with information about your HEPP pension options, you may wish to consult a financial planner to help you put all the pieces together.

*The information provided in this article is for general information purposes only and does not constitute advice.*

# HEBP Disability & Rehabilitation Plan
## D&R Coverage During a Leave of Absence or Layoff

If you are planning to go on an unpaid leave of absence (LOA) or layoff, you will have the option to maintain or terminate your Disability & Rehabilitation (D&R) Plan coverage. In any case, it is important that you contact the human resources/benefits representative at your Participating Employer **prior** to your last day worked.

This article provides information about the following:

- Unpaid Leaves of Absence: Educational, Maternity, Parental, and Personal Leave of Absence (LOA) or Layoff.
- Sick LOA.

### Unpaid Leaves of Absence: Educational, Maternity, Parental, and Personal LOA or Layoff

Prior to starting an unpaid LOA or layoff, you must make a choice regarding your D&R coverage. You may elect to:

a) Prepay your D&R premiums to maintain D&R coverage during the LOA or layoff, or

b) Terminate your D&R coverage effective the first day of your educational, maternity, parental, or personal LOA or layoff.

**Note:**

- Prepayment of D&R premiums must be arranged prior to the start of your personal, maternity, parental, or educational LOA or layoff to maintain D&R coverage during the LOA or layoff.
- The D&R Plan does not have a provision for a partial LOA based upon a reduction in hours or Equivalent Full-Time (EFT). You must cease working to be deemed on an LOA or layoff.
- If your employment is terminated while on the LOA or layoff, D&R coverage will cease on the date of termination subject to the employee transferring to a new Participating Employer in accordance with the terms of the D&R Plan Text as set out below:
  - If your employment is terminated prior to the LOA or layoff end date, you can request a D&R premium refund or to have your post-dated cheques returned.

#### Maintaining D&R Coverage During an Approved LOA or Layoff

If you maintain your D&R coverage during your unpaid LOA or layoff by prepaying D&R premiums prior to the start of your LOA or layoff:

1. You are eligible to apply for D&R Benefits, if you become ill or injured during the LOA or layoff.
2. Your D&R coverage continues seamlessly on an uninterrupted basis so that when you return to work you will not have to serve a three-month waiting period.
3. You maintain your original Effective Date of Coverage.

#### Electing to Terminate D&R Coverage on Last Day Worked

If you elect not to prepay your D&R premiums in order to maintain your coverage:

1. D&R coverage terminates on the last day worked prior to the start of your unpaid LOA or layoff.
2. You will not be eligible for D&R Benefits should you become ill or injured during your LOA or layoff.
3. When you return to work, you will be required to:

   a) Enrol in the D&R Plan.

   b) Serve a three-month waiting period. Your D&R coverage will start the day following three months of continuous Active Service.
4. You will have a new Effective Date of Coverage. Consequently, if you cease work due to illness or injury within one year of the Effective Date of Coverage, the Pre-existing Condition Limitation provision will be investigated and you may not be eligible for D&R Benefits.

#### Your Responsibilities Prior to Starting Your LOA or Layoff

- Contact the human resources/ benefits representative at your Participating Employer to discuss maintaining or terminating D&R coverage during your LOA or layoff.
- Complete and submit the applicable LOA forms to your Participating Employer.
- If maintaining coverage, arrange for the prepayment of D&R premiums.

### Leave of Absence: Sick LOA

The D&R Plan is a long-term disability plan. If you apply for D&R Benefits, you are required to satisfy a waiting period of 119 days (119-Day Elimination Period). During the 119-Day Elimination Period, you may be eligible for sick pay or vacation pay from your Participating Employer or Employment Insurance (EI) sickness benefits.

It is mandatory that D&R coverage is maintained up to the date you are eligible to receive D&R Benefits

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(throughout the 119-Day Elimination Period). If D&R premiums are not prepaid, or at the latest, paid within 30 calendar days of the start of your sick LOA, D&R coverage will terminate, and you will not be entitled to D&R Benefits.

When you are receiving sick pay from your Participating Employer, HEBP continues to receive D&R premiums through payroll deductions. If you do not have sufficient accumulated banked sick pay to cover the entire 119-Day Elimination Period, your Participating Employer will calculate the portion not covered by sick pay, and D&R premiums must be paid for the period up to the end of the 119-Day Elimination Period.

**Sufficient Banked Sick Pay to Cover the Entire 119-Day Elimination Period**

If you have sufficient banked sick pay to cover the entire 119-Day Elimination Period, D&R premiums will be submitted by your Participating Employer through payroll deductions.

**Insufficient Banked Sick Pay to Cover the Entire 119-Day Elimination Period**

If you do not have sufficient accumulated banked sick pay to cover the entire 119-Day Elimination Period, your Participating Employer will calculate the portion not covered by paid sick pay, and the D&R premiums must be prepaid or, at the latest, paid within 30 calendar days of the start of your sick LOA, for the period up to the end of the 119-Day Elimination Period to maintain your D&R coverage.

1. HEBP must receive the outstanding portion of the D&R premium payments (2.3%) for the entire portion of the 119-Day Elimination Period that is not covered by banked sick pay prior to the start of your LOA or, at the latest, within 30 calendar days from the start of your sick LOA. Payments are arranged through the Participating Employer. D&R premiums are calculated based on 2.3% of your Monthly Earnings as of your last day worked.
2. HEBP will accept:
   - A cheque or money order for the full amount (lump sum).
   - Monthly post-dated cheques.
3. Cheques or money orders should be made payable to "HEBP D&R Trust Fund."

**Your Responsibilities:**

- Contact the human resources/ benefits representative at your Participating Employer to arrange prepayment of D&R premiums for your sick LOA.
- If you know in advance that you will be starting a sick LOA, arrange to prepay your D&R premiums before the start of the sick LOA.
- If you do not know in advance that you will be starting a sick LOA, arrange to prepay your D&R premiums as soon as possible. This must be completed within 30 calendar days from the start of your sick LOA.
- Ensure that the LOA prepayment forms are completed and submitted prior to the deadline.

Premium-free D&R coverage will only be provided if HEBP receives a D&R claim from you and the claim is approved in writing by HEBP.

There are situations where a D&R claim decision may not be made until after the 119-Day Elimination Period. If a decision regarding your claim has not been made prior to the end of the 119-Day Elimination Period, you must continue to pay D&R premiums **beyond** the 119-Day Elimination Period to maintain D&R coverage. When you have paid D&R premiums beyond the 119-Day Elimination Period and the claim is accepted retroactively, post-dated cheques will be returned or a D&R premium refund can be arranged by contacting your D&R Claims Specialist.

# HEBP Disability & Rehabilitation Plan

## Transferring D&R Coverage Within 30 Days

You may transfer your D&R coverage if you work for a Participating Employer and are covered by the D&R Plan, then terminate your employment and begin working for another Participating Employer within 30 calendar days in a position that is covered by the D&R Plan. There are two types of D&R Coverage Transfers:

**1. Transfer of Coverage Within 30 Calendar Days With a Prior Written Agreement of Employment**

If, prior to your termination with your first Participating Employer, you have a written agreement with another Participating Employer stating that you will commence employment with that Participating Employer within 30 calendar days of the termination of employment from your first Participating Employer, you must:

- Complete the D&R coverage transfer form.
- Provide a copy of the written agreement with your new

Participating Employer that you will commence employment with that Participating Employer within 30 calendar days after your termination of employment with your first Participating Employer. The copy of the written agreement must be provided with the completed transfer form.

- Prepay all D&R premiums for the period of time between your termination date with your first Participating Employer and when employment commences at your new Participating Employer.
- Commence work in a full-time or part-time position, working at least an average of 15 hours per week, with the new Participating Employer within 30 calendar days of your termination with your first Participating Employer.

**The Effect on Your D&R Coverage:**

- As you prepay your D&R premiums prior to the termination of employment, you maintain your D&R coverage for the time period between employment. Therefore, should you become ill or injured during the time period between employment, you are eligible to apply for D&R Benefits.
- You maintain your original Effective Date of Coverage (the date you were covered by the D&R Plan). If you become ill or injured and your Effective Date of Coverage is at least 12 months earlier, the Pre-existing Condition Limitation provision will not be investigated.

**Note:**

- To arrange this type of transfer, you must make arrangements with your human resources/ benefits representative at your first Participating Employer prior to your termination.
- If all necessary D&R premiums are not prepaid:
  - You will not be covered by the D&R Plan for the period of time between the termination date and when employment commences with the new Participating Employer.
  - You will not maintain your original Effective Date of Coverage.

### 2. Transfer of Coverage Within 30 Calendar Days Without a Written Agreement of Employment

If you terminate your employment with your first Participating Employer prior to securing future employment, and then obtain employment with another Participating Employer within 30 calendar days, you may apply to have your D&R coverage transferred effective on the date you commence employment with the new Participating Employer.

**The Effect on Your D&R Coverage:**

- Your Effective Date of Coverage is your first day of employment with your new Participating Employer.
  - You do not have to serve a three-month waiting period before you are covered by the D&R Plan. Your first day of coverage is your first day of Active Service with your new Participating Employer.
- The Pre-existing Condition Limitation provision of the D&R Plan shall not apply as long as you were covered by the D&R Plan for at least 12 consecutive months prior to when your coverage terminates with your previous Participating Employer.
- If, when you terminate with your first Participating Employer, you have been covered by the D&R Plan for less than 12 consecutive months, then the Pre-existing Condition Limitation provision shall apply. The remaining time period (balance of the 12 consecutive months) shall continue to accumulate from the date you commence employment with your new Participating Employer.

**Note:**

- To be eligible to transfer your D&R coverage, you must be covered by the D&R Plan at the time of termination of employment with your first Participating Employer.
- The transfer must occur within 30 calendar days of the termination of employment. If the commencement of employment occurs after 30 calendar days, you must be enrolled as a newly hired employee, and must serve the three-month waiting period.
- The original completed, signed, and dated transfer form must be received by HEBP within 30 calendar days of your first day of employment with your new Participating Employer.
  - If the transfer form is not received within the 30-calendar day deadline, you must be enrolled as a newly hired employee, and must serve the three-month waiting period.

## Contact Information Changes

Has your contact information changed? If information such as your name, address, or telephone number has changed, please be sure to notify both your employer representative at your facility/RHA, and HEPP/HEBP.

As HEPP/HEBP cannot accept contact information changes by e-mail, please send your request in writing to:

Healthcare Employees' Pension and Benefits Plans
Attention: Member Records
900-200 Graham Avenue
Winnipeg MB R3C 4L5

Please ensure your request:

- Is dated and signed,
- Includes your first name, last name, and HEPP/HEBP ID number, and
- States your previous and new contact information.

Please contact us if you do not have a record of your HEPP/HEBP ID number.

**PM# 40064761**

**RETURN UNDELIVERABLE CANADIAN ADDRESSES TO:**

**HEPP/HEBP MANITOBA**
**900-200 GRAHAM AVE**
**WINNIPEG MB R3C 4L5**

## We Appreciate Your Questions and Feedback

PlanTalk is based on an overview of HEPP/HEBP Plans. Not all employers participate in all of the Plans offered. If you have questions or comments about the information provided in PlanTalk, please contact us at:

**Mail:** PlanTalk
HEPP/HEBP Manitoba
900-200 Graham Avenue
Winnipeg MB R3C 4L5

**Phone:** (204) 942-6591 or toll-free (outside Winnipeg) 1-888-842-4233
**Fax:** (204) 943-3862
**E-mail:** info@hepp.mb.ca
**Website:** www.hepp.mb.ca