



PlanTalk

VOLUME 11 • SPRING 2005

Pension Plan Benefit Reductions Withdrawn in Lieu of Rate Increases

The HEPP Board of Trustees has withdrawn the benefit reductions scheduled for July 1, 2005, after unanimous approval by the plan settlors (employers & unions) to allow contribution rate increases instead.

Over the next three years, rates will increase as follows:

Effective July 1, 2005

- 6.4% of pensionable earnings up to the YMPE*
- 8.0% of pensionable earnings in excess of the YMPE*

Effective July 1, 2006

- 6.6% of pensionable earnings up to the YMPE*
- 8.2% of pensionable earnings in excess of the YMPE*

Effective July 1, 2007

- 6.8% of pensionable earnings up to the YMPE*
- 8.4% of pensionable earnings in excess of the YMPE*

For reference, the current contribution rates are:

- 5.0% of pensionable earnings up to the YMPE*

- 6.6% of pensionable earnings in excess of the YMPE*
- * *YMPE is the yearly maximum pensionable earnings limit under the Canada Pension Plan. The YMPE for 2005 is \$41,100.*

As the Board has withdrawn the pension benefit reductions that were scheduled for July this year:

- Magic 80 will **not** be subject to a minimum age 55. This means when your age plus the number of years of your continuous service equals 80, you can retire with an unreduced pension, regardless of your age.
- For termination benefits:
 - Lump sum commuted value payments will continue to be subject to a 3% reduction; **not** the proposed 6% reduction
 - Deferred pensions as early as age 55 will continue to be subject to a 3% reduction; **not** the proposed 6% reduction.

The 2005 rate increase will be applied to payroll deductions beginning in the first full pay in July (where all the work days in the pay period are in July). When the rate change is implemented, the 2005 yearly maximum pension contribution will change to \$7,392.48; the maximum pensionable earnings will remain at \$110,275.00.

For More Information

If you have questions about the new pension contribution rates, please call our office and ask to speak with a Benefits Administrator:

- In Winnipeg: 942-6591
- Toll-free from outside Winnipeg: 1-888-842-4233

Or email us: info@hepp.mb.ca



HEPP



HEBP

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Group Healthcare Paramedical Coverage Change and Premium Increases

To offset increased paramedical usage under both the Basic and Enhanced group healthcare plans, and help reduce the Enhanced plan's deficit, in June 2003 HEBP introduced an annual maximum for combined paramedical services.

Since introducing the combined maximum, the HEBP Board has received numerous letters and petitions from members stating that they would prefer to pay a higher premium if it meant the paramedical benefit would be "unbundled."

As a result, effective June 1, 2005, paramedical maximums will return to a per practitioner basis.

Under the Basic plan, paramedical coverage* will be:

- 80% reimbursement of eligible expenses, up to an annual maximum of \$350 per person per

paramedical practitioner:

- Chiropracist (Podiatrist)
- Certified Foot Care Nurse
- Physiotherapist/Occupational Therapist
- Clinical Psychologist
- Registered Dietician.

- 80% reimbursement of eligible expenses for athletic therapy, up to an annual maximum of \$100 per person.

Under the Enhanced plan, paramedical coverage* will be:

- 80% reimbursement of eligible expenses, up to an annual maximum of \$450 per person per paramedical practitioner:
 - Acupuncture
 - Athletic Therapist
 - Audiologist
 - Certified Foot Care Nurse
 - Chiropracist (Podiatrist)
 - Chiropractor

- Clinical Psychologist
- Licensed Massage Therapist
- Naturopath
- Osteopath
- Physiotherapist/Occupational Therapist
- Registered Dietician
- Speech Therapist.

** Paramedical services must be rendered by an approved provider, and a referral may be required.*

To support this change and to continue to reduce the Enhanced plan's deficit, effective June 1, 2005, premiums for the Basic group healthcare plan will increase 3%, and premiums for the Enhanced group healthcare plan will increase 5%.

As premiums for group healthcare coverage are generally collected in the month prior, these rate increases will be applied to payroll deductions in May for many plan members.

Monthly Premium Increases for the Basic Group Healthcare Plan: 3%

	Before Increase	Effective June 1, 2005	Before Increase with BlueNet POS Drug Card	Effective June 1, 2005 with BlueNet POS Drug Card	Total Increase
Single	\$9.63	\$9.92	\$11.63	\$11.92	\$0.29
Family	\$22.99	\$23.68	\$24.99	\$25.68	\$0.69

Monthly Premium Increases for the Enhanced Group Healthcare Plan: 5%

	Before Increase	Effective June 1, 2005	Before Increase with BlueNet POS Drug Card	Effective June 1, 2005 with BlueNet POS Drug Card	Total Increase
Single	\$26.49	\$27.81	\$28.49	\$29.81	\$1.32
Family	\$67.38	\$70.75	\$69.38	\$72.75	\$3.37

Dental Plan Rate Changes Effective June 1, 2005

Monthly Premium Increases for the Dental Plan: 3.5%

	Before Increase	Effective June 1, 2005	Total Increase	If shared 50/50 by member & employer
Single Coverage	\$25.42	\$26.30	\$0.88	\$0.44
Family Coverage	\$74.26	\$76.86	\$2.60	\$1.30

The HEBP Board of Trustees has approved a 3.5% rate increase for dental premiums, effective June 1, 2005. This rate change is required to offset fee increases outlined in the Manitoba Dental Association's 2005 dental fee guide.

As premiums for dental coverage are generally collected in the month prior, this change will be applied to payroll deductions in May for many plan members.

Retiree Group Healthcare: Level II Prescription Drug Coverage Change and Premium Increase

Last fall, the Healthcare Employees' Benefits Plan (HEBP) and Manitoba Blue Cross surveyed members of the Retiree Group Healthcare Plan about enhancing prescription drug coverage and adding basic dental coverage.

We received a 43% response rate from the 4,640 surveys mailed to members.

In the survey, retiree members were asked to consider two benefits changes:

1. Raise the prescription drug annual maximum reimbursement to \$450.00 from \$200.00 per family, at an additional cost of:
 - \$7.05 per month for single coverage

- \$11.10 per month for family coverage.

79% of respondents supported the higher premiums to increase the prescription drug maximum.

2. Add basic dental coverage at an additional cost of:

- \$19.40 per month for single coverage
- \$41.00 per month for family coverage.

Only 43% of respondents supported higher premiums to add dental coverage.

As the survey results clearly expressed our retiree members' preferences, the HEBP Board approved the prescription drug maximum increase, and declined adding dental coverage at this time.

Effective June 1, 2005, prescription drug coverage under Level II of the Retiree Group Healthcare Plan will be:

- 80% reimbursement of eligible expenses, up to an annual maximum benefit of \$450.00 per family.

To support this change, monthly premiums for Level II coverage will increase over the next three years, starting on June 1, 2005.

Monthly Premium Increases for the Retiree Group Healthcare Plan Level II

	Before Increase	Effective June 1, 2005	Before Increase with BlueNet POS Drug Card	Effective June 1, 2005 with BlueNet POS Drug Card	Total Increase
Single	\$22.50	\$27.20	\$24.50	\$29.20	\$4.70
Family	\$36.55	\$43.95	\$38.55	\$45.95	\$7.40

No Change to Level I Coverage or Premiums

As Level I coverage under the Retiree Group Healthcare Plan does not provide prescription drug coverage, there were no coverage changes introduced. Premiums will remain at \$6.25 per month for single coverage and \$10.95 per month for family coverage.

2005 Ad Hoc COLA Not Viable for HEPP Retirees

At the end of each year, the HEPP Board of Trustees reviews the pension plan's estimated financial position and determines whether sufficient funds are available to grant an ad hoc cost of living adjustment (COLA) to our retired pension plan members, which would become effective January 1 for the coming year.

Unfortunately, as predicted at the 2004 annual general meeting, the HEPP Trustees determined that the plan's financial position as of December 31, 2004 did not allow for a COLA to be granted effective January 1, 2005.

For further information, please contact HEPP at (204) 942-6591 or toll-free at 1-888-842-4233.

New Look for PlanTalk

You may have noticed we've changed PlanTalk's format. The new standard size allows us more design flexibility, which helps us provide you with relevant information faster, and reduces production time and costs. That translates into reduced administration costs to your benefit and pension plans.

PlanTalk is your newsletter, and we'd like to know what you think of the new format. Please send us your comments and/or suggestions for improvements.

EMAIL:
communications@hepp.mb.ca

MAIL:
Communications Officer
Healthcare Employees'
Pension and Benefits Plans
900-200 Graham Avenue
Winnipeg MB R3C 4L5

From the Boardroom

2004/2005 Healthcare Employee's Pension Board

- Bob Malazdrewich, Canadian Union of Public Employees (Chair)
- Gloria O'Rourke, Winnipeg Regional Health Authority (Vice Chair)
- Ray Erb, Manitoba Government and General Employees' Union
- Doug Laurie, International Union of Operating Engineers
- Bob Romphf, Manitoba Nurses' Union
- Ray Spokes, St. Boniface General Hospital
- Ken Swan, Manitoba Association of Health Care Professionals

New HEPP Trustees for 2004/2005:

- Jean-Paul Gobeil, Winnipeg Regional Health Authority
- Merv Toderian, Parkland Regional Health Authority
- Janet Wilcox-McKay, Brandon Regional Health Authority
- Don Onofriechuk, Winnipeg Regional Health Authority
- Bruno Zimmer, Manitoba Council of Health Care Unions

Resigned from the HEPP Board:

- Penny Sorensen, Assiniboine Regional Health Authority
- Gary McIntosh, Brandon Regional Health Authority
- Marilyn Robinson, Fred Douglas Lodge
- Robert Ziegler, United Food and Commercial Workers Union Local 832
- Darcy Strutinsky, Winnipeg Regional Health Authority

2004/2005 Healthcare Employee's Benefits Board

- Jean-Paul Gobeil, Winnipeg Regional Health Authority (Chair)
- Bob Romphf, Manitoba Nurses Union (Vice Chair)
- Brian Ellis, Canadian Union of Public Employees
- Ray Erb, Manitoba Government and General Employees' Union
- Doug Laurie, International Union of Operating Engineers
- Gloria O'Rourke, Winnipeg Regional Health Authority
- Frank Ryplanski, St. Boniface General Hospital
- Ken Swan, Manitoba Association of Health Care Professionals

New HEBP Trustees for 2004/2005:

- Merv Toderian, Parkland Regional Health Authority
- Janet Wilcox-McKay, Brandon Regional Health Authority

Resigned from the HEBP Board:

- Penny Sorensen, Assiniboine Regional Health Authority
- Mark Neskar, Seven Oaks General Hospital

Annual General Meeting Notice

Mark your calendar to attend the joint HEPP and HEBP Annual General Meeting scheduled for:

Tuesday, June 21, 2005 at 4:00 p.m.
in the Lombard Room of the Fairmont Hotel,
2 Lombard Place, Winnipeg MB

Please RSVP by June 14, 2005. Contact Joan Duczminski at 942-6598 ext. 275 or toll-free: 1-888-842-4233 or email: duczmj@hepp.mb.ca

On the Move

Have you recently changed your mailing address? Or are you planning to move soon? Please be sure to let us know, so that we can update your information in our member database.

By maintaining your correct address we are better able to:

- Keep you informed about the issues that impact your benefits and/or pension
- Effectively administer your benefits
- Lower our mailing costs by reducing the amount of returned mail
- Comply with privacy legislation.

Please forward your address update via mail or email:

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

Email: info@hepp.mb.ca

DM# 40064761

RETURN UNDELIVERABLE CANADIAN ADDRESSES TO:

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