



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Canada Insurance Plan & Trust Fund

UPDATE

Date: May 20, 2003

To: Participating Boards and
Covered Employees

From: Howard Van Mersbergen,
Executive Secretary-Treasurer

- Premium Rates Effective September 1, 2003
- Introduction of Body Bulletin, a Wellness Newsletter
- Taxable/Non-Taxable Disability Benefits
- Taxable Life Insurance Premium
- Sun Life Conversion Coverage for Full Time Students

Premium Rates Effective September 1, 2003

The Trustees have received and negotiated the 2003/2004 insurance renewal and have approved an increase of approximately 5% for the CSI-Canada Insurance Plan as a whole. The primary reasons for this change are increases in the Long Term Disability rate, the health rates and dental rates.

- The specific components of the rate changes are as follows:

| | | |
|---------------------------------------|-----|----------|
| A. Basic Life Insurance | 0% | |
| B. Optional Life Insurance | 0% | |
| C. Accidental Death and Dismemberment | 0% | |
| D. Short Term Disability | 0% | |
| E. Long Term Disability | 20% | increase |
| F. Dental | 4% | increase |
| G. Health | 4% | increase |
| H. Occupational Coverage | 0% | |
| I. Optional Coverage (Flex Plans) | | |
| 1. Vision Care | 4% | increase |
| 2. Dental 6 Month Recall | 4% | increase |
| 3. LTD COLA | 20% | increase |
| J. Extended Out-of-Canada Coverage | 4% | increase |
| K. Co-op Student Insurance | 0% | |
- A schedule of premium rates is attached to this update.

Introduction of Body Bulletin, a Wellness Newsletter

We honor God by taking care of our physical and emotional health. To help participants adopt healthy lifestyles and become better informed users of health care services CSI is making available a wellness newsletter. This newsletter will be provided to all participants monthly from September – June during the 2003-2004 plan year.

Taxable/Non-Taxable Disability Benefits

Beginning September 1, 2003, for schools participating in the Non-Taxable Disability Benefit Plan, the amount each participant must contribute monthly toward the premium is 1.105% of salary in Ontario or 1.023% of salary in other provinces (plus the cost of the LTD cost-of-living benefit upgrade, if selected under the Flex Plan). This amount is equal to the Long and Short Term Disability portions of the premium.

Taxable Life Insurance Premium

Employer-paid life insurance premiums are taxable. Beginning in September 2003 the monthly taxable benefit is as follows:

| | <u>Standard Benefit Plan</u> | <u>Flexible Benefit Plan</u> |
|--------|------------------------------|---|
| Single | \$3.05 (\$3.29 Ontario) | 0.221% of salary (0.239% Ontario) |
| Family | \$3.68 (\$3.97 Ontario) | 0.221% + \$1.89 (0.239% + \$2.04 Ontario) |

The total amount of employer-paid life insurance premiums paid in 2003 needs to be included on each employee's T4 (tax slip) as taxable income.

If employees pay a portion of the monthly premium that is greater than the life premium, the school can allocate this payment first to the life insurance in order to make life insurance premiums an employee-paid benefit. As an employee-paid benefit it is not subject to income tax. For schools participating in the Non-Taxable Disability Benefit program, the employee contributions to the life premium must be in addition to the employee contributions paid for disability coverage.

Each school that has employees pay the life premium should have a published statement on file stating that employee premium payments will be allocated first to life insurance.

Sun Life Conversion

Clarica Life Insurance Company and Sun Life Assurance Company of Canada became one company on January 1, 2003. Your group benefits plan will now be underwritten by Sun Life Financial starting July 1, 2003. The policy number will not change and the plans will only have slight differences.

In June a packet of information for each employee covered by health and dental benefits will be sent to the school along with Sun Life Pay Direct Drug cards.

Coverage for Full Time Students

Any covered dependant who is a full time student aged 21-24 must be listed with Sun Life as such. To do this, complete the Change in Enrolment for Spouse and Children/Co-ordination of Benefits form and fax it to CSI at 616-301-2149.

For full time students studying outside of Canada you no longer have to report the country in which they are studying. The 60-day limit on Out-Of-Province coverage will be extended while the student is studying full time at any accredited university or college.