



**CHRISTIAN SCHOOLS
INTERNATIONAL**

CSI Canada Insurance Plan & Trust Fund

UPDATE

Date: February 3, 2005

- Employment Insurance Premium Reduction

To: Participating School Boards

From: Howard Van Mersbergen

Employment Insurance Premium Reductions

The CSI Insurance Plan has a short term disability benefit. As a result, all employers participating in the CSI Insurance Plan will be eligible for an Employment Insurance premium reduction.

- To qualify for an Employment Insurance premium reduction, federal legislation requires that employers participate in a written wage loss replacement plan that has benefits greater than or equal to those provided by Employment Insurance. A comparative analysis shows how the benefits of the CSI short term disability plan exceed those of the government plan.

<u>Benefit</u>	<u>Employment Insurance</u>		<u>CSI Short Term Disability Plan</u>
	<u>2004</u>	<u>2005</u>	
Maximum Insurable Earnings	\$750/wk.	\$750/wk.	No maximum
Benefit Formula (% of Insurable Earnings)	55%	55%	75%
Maximum Benefit	\$413/wk.	\$413/wk.	No maximum
Duration	varies	varies	150 days

- Employers must return at least 5/12 of the EI premium savings to all employees when the reduced rate applies. This can be in the form of increased employee benefits, cash rebates or written mutual agreements between the employer and employee on the method of distribution.
- A review of the attached contribution schedule for 2004 and 2005 illustrates the potential savings of the premium reduction.

- If your school has never applied for the Employment Insurance Premium Reduction Program, it should do so by completing an Application for EI Premium Reduction provided by Human Resources Development Canada (HRDC). To identify your school as part of the CSI Insurance Plan, reference RC# M067 on the application. This application, together with a copy of the attached extract regarding the short term disability benefits of the Plan should then be filed.
- If your school has already filed an application and has received EI's conditional rate notice for 2005, be sure to complete the Renewal Application for Premium Reduction (form EMP-2672) within 30 days from the date of issue by HRDC.
- Initial applications (form EMP-2642) for your Employment Insurance premium reduction must be received by HRDC no later than December 15, 2005, to receive full monthly reduction for 2006. However, schools can still apply for a 2005 premium reduction. The amount of the reduction, within a plan year, is based on the date HRDC receives your application. Therefore, the later the receipt of initial application, the later your reduction will begin and the amount of savings will be diminished. Additional rules apply and may be obtained by calling the toll free number listed below and requesting an Employer Guide. All applications should be sent to:

EI Premium Reduction Program
120 Harbourview Boulevard
P.O. Box 11000
Bathurst, NB E2A 4T5
1-800-561-7923

- Applications and renewal forms can be found and downloaded at http://www.hrdc-drhc.gc.ca/ae-ei/employment_insurance.shtml

Employment Insurance Contribution Schedule

For the Years 2004 and 2005

	<u>2004</u>	<u>2005</u>
Maximum Insurable Earnings	\$750/week	\$750/week
Maximum Benefit	\$413/week	\$413/week
Required Employee Contribution	\$1.98/wk. per \$100 of insurable earnings, maximum \$14.85/wk.	\$1.95/wk. per \$100 of insurable earnings, maximum \$14.63/wk.
Employer Contribution: w/o Premium Reduction	\$2.77/wk. per \$100 of insurable earnings, maximum \$20.79/wk.	\$2.73/wk. per \$100 of insurable earnings, maximum \$20.48/wk.
Employer Contribution Category 3 Plan ⁽¹⁾	\$2.47/wk. per \$100 of insurable earnings, maximum \$18.53/wk.	\$2.41/wk. per \$100 of insurable earnings, maximum \$18.08/wk.
Savings on Employee w/Maximum Insurable Earnings ⁽²⁾	\$2.25/week \$117.00/year	\$2.40/week \$124.80/year

⁽¹⁾ Defined EI Premium Reduction category based on CSI's short-term disability plan provisions.

⁽²⁾ Savings assume that application for EI Premium Reduction is made prior to January 1, 2005.

(More)

CSI - CANADA INSURANCE PLAN AND TRUST FUND
PLAN DOCUMENT EXTRACT REGARDING WAGE LOSS REPLACEMENT PROVISION
RC REFERENCE #M067

SHORT TERM DISABILITY

Subject to the requirements, conditions, and restrictions set forth below, if you become disabled, as defined herein, while an insured active Employee of a Participating Employer you shall be entitled to receive Short Term Disability Benefits from the Trust Fund. Such benefits shall begin after you have been disabled two weeks. No such benefit shall be payable for any period after your recovery from disability.

1. Definition of Totally Disabled

You shall be considered disabled when, on the basis of medical evidence satisfactory to them, the Trustees shall determine that you are unable, because of physical or mental illness, injury, or other condition, to function as a qualified Employee in the capacity for which you were engaged by your Employer. Such medical evidence shall ordinarily be furnished by the physician in attendance at your place of employment; provided that the Trustees may, at their discretion and at the expense of the Trust Fund, appoint another competent physician to examine you.

2. Level of Benefit and Duration of Benefit Payments

Short Term Disability Benefits shall be paid monthly, as of the 30th day of the month, at a monthly rate equal to three-fourths of your monthly compensation, as in effect at the date of occurrence of your disability. A pro rata payment shall be made for any month in which the Participant is not entitled to benefits for the entire month. The maximum period for which Short Term Disability Benefits shall be payable to any Participant with respect to any one period of disability shall be five months.

The Trustees may require anyone who is receiving Short Term Disability Benefits to submit to a medical examination to determine whether such individual remains disabled. If the individual refuses to submit to such examination, the Short Term Disability Benefits shall cease. Individuals who are receiving Short Term Disability Benefits shall be deemed to have recovered from their disability if they are able to or do engage in any employment for which they receive remuneration greater than 50% of their monthly compensation.

3. Exclusions and Limitations

Payment of Short Term Disability Benefits shall be subject to the following conditions and restrictions:

- A. No benefits shall be paid until proper application therefor has been made and accepted by the Trustees.
- B. If your employment contract with a Participating Employer terminates after your date of disablement but before the end of two weeks of continuous disability, and if you have not been engaged by a Participating Employer for services in the following contract year, you shall not be entitled to Short Term Disability Benefits.
- C. If you become disabled, then recover and return to work, and then become disabled again, before 30 days of active work, from a cause of your original disability, both period of disability combined shall constitute one period of disability. Otherwise, two or more periods of disability, separated by periods of active work, shall each be treated as separate periods of disability.
- D. If any dispute shall arise between you and the Trustees as to the existence of disability or as to the period for which benefits are to be paid, you may appeal your case to the CSI Board of Directors, whose decision in the matter shall be final and binding on you and the Trustees.
- E. Short Term Disability Benefits otherwise payable for any period hereunder shall be reduced by:
 - Disability benefits payable under any Workers' Compensation Act or similar legislation.
 - Disability benefits payable to the Participant under the Canada/Quebec Pension Plan, but excluding future cost-of-living increases and benefits payable for the Participant's dependent children.
 - Income replacement indemnity payable under any automobile insurance plan or policy which has been approved as an acceptable limitation by Unemployment Insurance legislation.
- F. Short Term Disability Benefits are not payable for a disability due to:
 - Intentionally self-inflicted injuries.
 - War (declared or not), service in the armed forces of any country, or participation in a riot, insurrection or civil disorder.
 - Committing or attempting to commit a criminal offence.
 - Cosmetic surgery or treatment, excluding cosmetic care provided as a result of an accident.
 - an occupational injury or illness except as defined under the Occupational Benefit Provision as outlined in this booklet.

TAXABILITY

If your employer pays any portion of the Short Term Disability premium the benefit payable to you will be taxable. If you pay 100% of the Short Term Disability premium, the benefit payable to you will be non-taxable.