



CHRISTIAN SCHOOLS  
INTERNATIONAL

CSI Canada Insurance Plan & Trust Fund

UPDATE

**Date:** May 25, 2005

**To:** Participating Boards and  
Covered Employees

**From:** Howard Van Mersbergen,  
Executive Secretary-Treasurer

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**Premium Rates Effective September 1, 2005**

The Trustees have received and negotiated the 2005/2006 insurance renewal and have approved an increase of approximately 4.35% for the CSI-Canada Insurance Plan as a whole.

- **Disability Premium Rate Structure:** The premium rate for disability coverage will be based on the taxable/non-taxable status that your school has chosen. Details are on the next page.
- **Premium Rates:** A schedule of premium rates is attached to this update.

**Manulife is CSI's New Insurer**

As we announced in Update 294, Manulife will be the insurer as of September 1, 2005. We are working with Manulife to make a smooth transition and our goal is to have as little disruption for you as possible. When you get back to your schools after summer break, you will find a kit that will contain new materials for you. There will be a new drug payment card, instructions about how to access and use the Manulife web site, and instructions about where to send claims incurred before and after September 1.

**Disability Benefit Change**

The current benefit levels of 75% for Short Term Disability (STD) and 66 2/3% for Long Term Disability (LTD) will continue for the taxable plan. Two benefit levels will now be available for the non-taxable plan. The base benefit will change to 66 2/3 % for STD and 60% for LTD effective September 1. The rationale for this change is to consider the after-tax effect, i.e. a 75% taxable benefit is reasonably similar to a 66 2/3% non-taxable benefit. This change also allows the disability premium rate to decrease.

The second benefit is for schools that would like to continue coverage at the current benefit level (75% for STD and 66 2/3% for LTD). This second option is provided by way of a non-tax disability benefit upgrade. See the premium rate sheet for the cost in your province.

No. 295

(More)

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### Taxable/Non-Taxable Disability Benefits

Beginning September 1, 2005, for schools participating in the Non-Taxable Disability Benefit Plan, the amount each participant must contribute monthly toward the premium is 1.294% of salary in Ontario or 1.198% of salary in other provinces. This amount is equal to the Long Term and Short Term Disability portions of the premium. Add the cost of the LTD cost-of-living benefit upgrade and/or the cost of the non-tax disability benefit upgrade, if selected.

### Taxable Life Insurance Premium

Employer-paid life insurance premiums are taxable. Beginning in September 2005 the monthly taxable benefit is as follows:

	<u>Standard Benefit Plan</u>	<u>Flexible Benefit Plan</u>
Single	\$1.48 (\$1.60 Ontario)	0.106% of salary (0.114% Ontario)
Family	\$1.92 (\$2.07 Ontario)	0.106% + \$1.29 (0.114% + \$1.39 Ontario)

The total amount of employer-paid life insurance premiums paid in 2005 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.

### Employee Assistance Program (EAP)

This benefit can help reduce both the number and length of disabilities. Balancing the demands of work with those of your personal life can be difficult. Stress, work concerns, and coping with personal situations can throw your life out of balance. The benefit option through Ceridian called LifeWorks OneSource provides important assistance. LifeWorks OneSource is an employee and family support program designed to help you and your school address issues such as work-life balance, employee retention, and productivity. It is a one-stop confidential resource that offers consultation, information, and personalized community referrals, available 24 hours a day, 7 days a week for you and your family members. An enrolment form for your school will be included in the enrolment package shipped to your school next week.

### Occupational Coverage

With the change to Manulife and the refinement of the rates provincially, the supplemental occupational insurance is no longer needed. Beginning September 1, 2005, occupational claims will be covered by the Plan. Where an expense related to an occupational injury is eligible under a workers' compensation plan, Manulife will pay any eligible portion under their plan that is not paid by the workers' compensation plan. Where an expense related to an occupational injury is not eligible under a workers' compensation plan, Manulife will pay the full portion that is eligible under the CSI plan.

### CSI Group Payroll Plan

The CSI Group Payroll Plan can help to make the processing of your payroll faster and more efficient—at a reduced group rate. Your school will work directly with Automatic Data Processing (ADP). ADP handles the check writing, direct deposit, tax filing and reporting for you. Contact Brian at 800-635-8288, ext. 267 for more information.

### Contacting the CSI Benefits Office

More information about your CSI benefit plans is located on our web site at [www.CSIonline.org](http://www.CSIonline.org). Select Employee Benefits, Canada, and the appropriate plan. If you have questions, contact Bonnie by e-mail at [bhofmann@CSIonline.org](mailto:bhofmann@CSIonline.org) or by phone at 800-635-8288, ext. 230.