



**CHRISTIAN SCHOOLS
INTERNATIONAL**

CSI Canada Insurance Plan & Trust Fund

UPDATE

Date: March 31, 2006
 To: Participating Boards and Covered Employees
 From: Howard Van Mersbergen
 Executive Secretary Treasurer

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Overview

The Trustees' mandate from the CSI Board is to provide a Canadian benefit program to meet the needs of our CSI member schools in Canada. The Trustees are either participants in the benefit plans or have served on the board of a CSI school in Canada. This experience helps them to be in tune with the unique needs of CSI schools.

The Trustees continue to monitor the Canadian insurance market and have recently completed the annual review of the CSI Insurance Plan. The results of that review are contained in this Update.

The high marks you gave the CSI benefit plans and the staff that serve you as summarized in the CSI Research Feedback recently sent to you are encouraging. This underscores the success of the CSI structure: benefits that are designed by Trustees from CSI schools in Canada for the benefit of those Canadian schools.

Your continued input is valuable; please contact CSI at any time with your comments. The Trustees are also available for comments. The Trustees are:

Stuart Bakker, Abbotsford, BC
 Mary Haven, Dorchester, ON
 Leo Smit, Barrie, ON
 Jack Vanden Pol, Lacombe, AB

Theo Meester, Beamsville ON
 Heiko Oegema, Talbotville, ON
 Henry Vanderveen, Langley, BC
 Jean Weening, Calgary, AB

Plan Structure for 2006/2007

The current plans will continue to be offered next year. Schools can choose between the Standard Plan and the Flexible Benefit Plan.

Cost Containment

More and more schools are moving from the Standard Plan to the Flexible Benefit Plan to help manage health care costs. Focus group participants selected the Flexible Benefit Plan as the preferred choice from among various cost control options. Schools in this plan can choose Flex Plan 1, Flex Plan 2, or Flex Plan 3, or a school can let each employee choose one of the three Flex Plans.

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Occupational Coverage for Schools Opting Out of Workers Compensation

Effective June 1, 2006, the Trustees are adding occupational coverage for part-time staff of those schools that have opted out of workers' compensation. This will cover staff who are not covered by the CSI Insurance Plan and work less than half time. The coverage includes:

- AD&D of \$25,000
- short term disability benefit of 75% of earnings up to \$1,000/week subject to tax
- permanent total disability benefit of \$25,000
- medical coverage up to \$20,000

Premium for this coverage is 0.27% of salary in Ontario and 0.25% in all other provinces and will be invoiced monthly (salary multiplied by .0027 or .0025 divided by 12). For example, if you have two part-time employees that together earn \$30,000 annually, the monthly premium is \$6.25 (\$6.75 in Ontario). To cover your employees beginning June 1, contact CSI for an enrolment form.

Healthcare Spending Accounts (HSA)

As the Trustees announced last October, a new optional feature will be available with Flex Plans 1,2,and 3, effective September 1, 2006. This new feature is a Healthcare Spending Account (HSA).

HSAs are the latest innovation in employee benefit plans and are becoming very popular as a tax-effective way for employers and employees to partner in benefit plan cost management. As the name implies, they are pre-tax accounts set up in the names of employees, funded by the school, and administered by Manulife. Employees authorize payments from the accounts for expenses that are not covered, or only partially covered by the insurance plans. Things like the other 50% of major dentistry, or chiropractic expenses beyond the plan limit are covered, as are payroll deductions for health and dental plans and coverage for dependents not eligible under the group plan. HSAs are tax-smart because they are funded with pre-tax money, and payouts from them are not taxable to employees (outside Quebec).

HSAs are regulated by the Canada Revenue Agency (CRA). Eligible expenses are defined in the regulations, and are more comprehensive than those items covered by any group insurance plan.

The CSI HSA is intended to enhance the flexibility of our flex plans by making it possible for participants to use benefit dollars exactly as they see fit. Our arrangement enables each member school to set up exactly the right arrangement for them, and to make changes each year, if desired.

HSA Plan Details:

- Employees covered for health by Flex Plan 1, 2, or 3 are eligible for the HSA plan.
- The HSA plan year will be from September 1 to August 31.
- A member school will decide to offer an HSA to all or some of its staff. The school can define one or more eligible groups of employees, such as teachers.
- The school will select the annual funding level for the HSA. The level can be any multiple of \$50, with a minimum of \$100. The same amount is to be applied to all employees in an eligible group. A different amount can be applied to employees in a different eligible group, if desired.
- The school will remit one-twelfth of the funding level, plus the administration fee of 6.5%, to CSI every month.

- Participants will be able to claim reimbursement of eligible expenses using a standard Manulife claim form. In general, any health-related expense which could be used to meet requirements for deductibility on an employee's income tax return is eligible for reimbursement under an HSA. The CSI web site has a list of eligible expenses.
- If participants leave the member school before the end of the plan year, they forfeit further contributions to their account. They have 60 days from their termination date to submit claims against their account.
- At plan year-end, unused balances are carried forward to the following year and applied to the first claims that are presented. If a balance from one year remains unused at the end of the following year, it is forfeited and returned (net of administration expenses) to the member school.
- A school can elect either of the following arrangements:
 - The school chooses one flex plan for all employees and associates the HSA with it, or
 - The school enables all employees to choose their own flex plan and associates the HSA with one or more of the flex plans.
- Premium-sharing arrangements for all CSI plans **except** the HSA are completely flexible. The HSA must be funded with employer money.

Contacting Manulife Financial

To speak with a Manulife customer service representative, call the customer service number on your insurance card, 800-268-6195.

When you register a username and password on the Manulife web site, you will be able to print personalized claim forms, drug cards and access valuable health information. Go to www.manulife.ca and select Insurance, then Group Benefits. For Step 1, select Plan Member and for Step 2 enter plan number 0084168. Your insurance card contains information (your certificate number, etc.) that you need in order to set up a username.

Contacting CSI

Contact CSI by e-mail at bhofmann@CSIONline.org or by phone at 800-635-8288, extension 230.

For more information on the CSI benefit plans, go to www.CSIONline.org and select Employee Benefits. The web site contains descriptions of the various benefits available through CSI, forms, publications, and contact information for CSI staff members.