



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Canada Insurance Plan & Trust Fund

UPDATE

Date: May 25, 2006

To: Participating Boards and
Covered Employees

From: Howard Van Mersbergen,
Executive Secretary-Treasurer

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Premium Rates Effective September 1, 2006

The Trustees have received and negotiated the 2006/2007 insurance renewal and have approved an increase of approximately 7.9% 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.

September 1 Open Enrolment

You will have the same coverage for the 2006/2007 plan year as you have now unless you complete an enrolment form and change your coverage. Contact your school office for an enrolment form.

Health Spending Accounts

HSA's 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 employers, and administered by insurers. 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. HSA's are tax-smart because they are funded with pre-tax money, and payouts from them are not taxable to employees (outside Quebec).

The CSI HSA is intended to enhance the flexibility of our flex plans, by making it possible for people to use benefit dollars exactly as they see fit. Update 297 contains more details about HSA's and is available online at www.CSionline.org.

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

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(More)

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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

Disability Benefit Levels

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 are available for the non-taxable plan. The first level is the base benefit of 66 2/3% for STD and 60% for LTD. This level of benefits takes into consideration the after-tax effect, i.e. a 75% taxable benefit is reasonably similar to a 66 2/3% non-taxable benefit.

The second level is for schools that would like to increase the non-tax base benefit to 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.

Non-Taxable Disability Benefits

Beginning September 1, 2006, for schools participating in the Non-Taxable Disability Benefit Plan, the amount each participant must contribute monthly toward the premium is 1.460% of salary in Ontario or 1.352% 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 2006 the monthly taxable benefit is as follows:

	<u>Standard Benefit Plan</u>	<u>Flexible Benefit Plan</u>
Single	\$1.64 (\$1.77 Ontario)	0.119% of salary (0.129% Ontario)
Family	\$2.12 (\$2.29 Ontario)	0.119% + \$1.42 (0.129% + \$1.53 Ontario)

The total amount of employer-paid life insurance premiums paid in 2006 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.

CSI Group Payroll Plan

The CSI Group Payroll Plan can assist with making 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.CSOnline.org. Select Employee Benefits, Canada, and the appropriate plan. If you have questions, contact Bonnie by e-mail at bhofmann@CSOnline.org or by phone at 800-635-8288, ext. 230.