



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Canada Insurance Plan & Trust Fund

UPDATE

Date: May 25, 2007

To: Participating Boards and
Covered Employees

From: Howard Van Mersbergen,
Executive Secretary-Treasurer

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Premium Rates Effective September 1, 2007

The Trustees have received and negotiated the 2007/2008 insurance renewal and have approved an increase of approximately 1.8% for the CSI-Canada Insurance Plan as a whole. A schedule of premium rates is included with this Update.

September 1 Open Enrolment

You will have the same coverage for the 2007/2008 plan year as you have now unless you complete an enrolment form and change your coverage. Contact your school office for an enrolment form.

Required Number of Hours for Eligibility

Currently, schools have the option of selecting annually from two options for eligibility: 75% full time or 50% full time. Effective September 1, 2007, the Trustees are adding a third option: 40% or 400 classroom hours per year. For each option, 100% of eligible employees must be enrolled in the CSI Insurance Plan (employees covered under a health and dental plan provided through their spouse's employer may be excluded but must be enrolled in the Limited Benefit Plan).

Health Spending Accounts

The HSA plan is currently available to participants covered for health in flex option 1, 2, or 3. Effective September 1, 2007, the Trustees are making the HSA plan available to participants covered by one of the flex options in both the Limited Benefit Plan and the Full Benefit Plan.

Retiree Coverage

- Effective June 1, 2007, the Trustees have reduced the return-to-home-province requirement for retirees from 30 days to 1 full day (24 hours). The trip limitation remains at 60 days.
- Effective September 1, 2007, insurance rates for retirees under the age of 65 will be separate from rates for retirees age 65 and over. This change takes into account the difference in cost to insure these two age groups.

No. 311

(More)

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International Student Insurance

Insurance coverage is available for foreign students who are studying in our schools. Medical and accident coverage is described in Update 305.

Occupational Coverage for Schools Opting Out of Workers Compensation

Occupational coverage is available 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

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, 2007, for schools participating in the Non-Taxable Disability Benefit Plan, the amount each participant must contribute monthly toward the premium is 1.504% of salary in Ontario or 1.392% 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 2007 the monthly taxable benefit is as follows:

	<u>Standard Benefit Plan</u>	<u>Flexible Benefit Plan</u>
Single	\$1.73 (\$1.87 Ontario)	0.124% of salary (0.134% Ontario)
Family	\$2.23 (\$2.40 Ontario)	0.124% + \$1.49 (0.134% + \$1.61 Ontario)

The total amount of employer-paid life insurance premiums paid in 2007 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.

Contacting the CSI Benefits Office

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