



CSI Canada Insurance Plan and Trust Fund

Date: May 22, 2009

To: Participating Boards and Covered Employees

From: Howard Van Mersbergen, Executive Secretary Treasurer

IN BRIEF

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Premium Rates Effective September 1, 2009

The Trustees have received and negotiated the 2009/2010 insurance renewal and have approved an increase of approximately 2.2% 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 2009/2010 plan year as you have now unless you complete an enrolment form and change your coverage. Contact your school office for an enrolment form.

Prescription Drug Benefit

Coverage for prescription drugs in Flex Plans 1, 2, and 3 is governed by ESI Canada Dynamic Therapeutic Formulary (DTF). The Flex Plan drug coverage is based on a list of drugs that are reimbursed at a higher level than other drugs available under the plan. This drug list is called a formulary. Formularies have been used for years by provincial government drug programs and in most Canadian hospitals to manage costs. The DTF includes a list of generic drugs that are clinically effective and affordable drugs used to treat most medical conditions. Where there is a generic drug that is considered interchangeable with the brand name drug, only the cost of the generic will be reimbursed.

To find out if a drug is on the DTF, go online at www.manulife.ca/groupbenefits/DTF and talk to your doctor. The DTF is not meant to replace your doctor's best advice. Ultimately, it is up to the participant to work with their doctor to select a drug that will treat their condition, while also factoring lifestyle and DTF coverage into the treatment plan.

A Drug Plan Option is available for schools that prefer the drug coverage in effect prior to 2008 (and still in use for the Standard Plan). Rates are listed in the Benefit Options section of the rate sheet.

Optional Critical Illness Coverage

New employees have 30 days from their date of hire to purchase up to \$25,000 in coverage without medical underwriting. For all employees, coverage for amounts over \$25,000 requires medical underwriting. Forms can be found at www.CSIonline.org/benefits by selecting Forms and Canada Insurance. See Update 316 for more details on the Critical Illness coverage.

Health Care Spending Accounts

Schools may choose the HCSA plan for participants covered in both the Limited Benefit Plan and the Full Benefit Plan in Flex options 1, 2, and 3. These accounts are funded by your employer and you can authorize payments from your account to pay for certain expenses that are not covered (or only partially covered) by your insurance plan. HCSAs are tax-smart because they are funded with pre-tax money, and payouts are not taxable to employees.

International Student Insurance

Insurance coverage is available for foreign students who are studying in our schools. Coverage includes medical coverage, emergency out of province/country coverage, and accidental death and dismemberment coverage.

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 option. See the premium rate sheet for the cost in your province.

Non-Taxable Disability Benefits

Beginning September 1, 2009, for schools participating in the Non-Taxable Disability Benefit Plan, the amount each participant must contribute monthly toward the premium is 1.489% of salary in Ontario or 1.379% 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 option and/or the cost of the non-tax disability benefit option, if selected.

Taxable Life Insurance Premium

Employer-paid life insurance premiums are taxable. Beginning in September 2009 the monthly taxable benefit is as follows:

	<u>Standard Benefit Plan</u>	<u>Flexible Benefit Plan</u>
Single	\$1.92 (\$2.07 Ontario)	0.138% of salary (0.149% Ontario)
Family	\$2.42 (\$2.61 Ontario)	0.138% + \$1.48 (0.149% + \$1.60 Ontario)

The total amount of employer-paid life insurance premiums paid in 2009 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.



Who to Contact at CSI for Support

More information about CSI's benefit plans is located on our web site at www.CSIonline.org. Select Employee Benefits and the appropriate plan. If you have questions, contact Bonnie Hofmann by phone at 877-274-8796, ext. 230 or by email at bhofmann@CSIonline.org.