

October 3, 2017

To: Benefit Administrators / Human Resource Personnel

**From: Alana Shearer-Kleefeld
Director, Employee Benefits**

Re: DIP Contribution Rate Changes for Employees at Age 64 years and 8 Months

SEIU and CUPE Disability Plans

Under the terms and conditions of the CUPE and SEIU Disability Income Plans, after their 65th birthday claimants are eligible to receive bridge benefits only. If an employee's 119 day qualifying period for long term disability benefits (LTD) ends after their 65th birthday they would not be eligible for LTD benefits. The employee would be eligible for bridge benefits only. To avoid employees paying contributions for benefit coverage they are no longer eligible for, their disability contribution rate should be reduced to the after age 65 DIP contribution rate 119 days prior to their 65th birthday. Contribution refunds will be calculated and refunded to the employee in the month following their 65th birthday. Beginning November 1st, 2017, 3sHealth Employee Benefits will run a query on the first day of every month to identify employees who turned 65 in the previous month. We will calculate the difference between the regular DIP contribution rate and the after age 65 DIP contribution rate for the previous four months. Employers will be advised of the refund amount for each employee and then the employer will be asked to refund the amount to each employee on the next pay.

SUN and General Plans

Under the terms and conditions of the General and SUN Disability Income Plans, employees must serve a 119 calendar day qualifying period before applying for long term disability (LTD) benefits. If an employee's 119 day qualifying period for LTD benefits ends after their 65th birthday they would not be eligible for LTD benefits. To avoid employees paying contributions for coverage they aren't eligible for, their disability plan will be expired in iHRIS effective 119 days prior to their 65th birthday. On the first of every month 3sHealth Employee Benefits will expire SUN and General DIP plans for employees reaching 64y and 8m in the upcoming month. (Note: the plan will be expired in iHRIS with a future date which will stop the deductions in batch the week of the expiry date.)

In cases where an employee is using sick time prior to reaching 64y 8m, they would still be eligible for disability benefits from the period that their qualifying period ends until they reach age 65. If 3sHealth Employee Benefits receives a claim where the DIP plan is expired in iHRIS and the date of disability is prior to the expiry date the claim would not be denied due to the expired plan. For example, a SUN employee is age 64 and 6 months and begins to use sick time and they reach the end of their 119 day

qualifying period and their paid sick time stops. From age 64 and 10 months to age 65, they are eligible to apply for LTD benefits.

A cleanup is required for employees in the SUN and General DIP plans who have reached their 64y 8m date in the last four months. 3sHealth Employee Benefits will expire their DIP plan effective October 1, 2017 and calculate the contribution amount they paid after age 64y 8 m until October 1, 2017. Employers will be asked to refund the amount to each employee on the next pay.

If you have any questions regarding this bulletin, please contact me at alana.shearer-keefeld@3sHealth.ca or 306-347-5599.