

Opting Out of the 3sHealth Disability Income Plan For Employees Who Retire and are Rehired by a 3sHealth Participating Employer.

Under the terms of 3sHealth's four Disability Income Plans (SUN, CUPE, SEIU and General), approved disability benefit payments are reduced by income that an employee receives from certain alternate sources. Such reductions include retirement benefits provided by an employer (examples include SHEPP and PEPP retirement benefits). This means that employees who retire and who are subsequently rehired and then become disabled receive a disability benefit that is substantially reduced by the amount of their retirement benefit. In some cases the reduction can result in the disability benefit being reduced to \$0.00.

Effective January 1, 2013, all employees (SUN*, CUPE, SEIU and HSAS, out of scope or other employees who would belong to the General Disability Income Plan) who retire and access a pension provided by a 3sHealth Participating Employer and who are subsequently rehired by a 3sHealth Participating Employer, will have the choice to opt-out of the 3sHealth Disability Income Plan. The availability of this option gives employees who have retired and been rehired the choice to not join the Disability Income Plan and therefore to not pay Disability Income Plan premiums for a disability benefit that may be substantially reduced by the amount of their retirement benefits.

Effective January 1, 2013, this option will also be available to any employee who previously retired and accessed a pension from their employer and who was subsequently rehired and joined a 3sHealth Disability Income Plan. Effective January 1, 2013, such an employee will be able to opt-out of the Disability Income Plan at any time. Note that there is no option to retroactively opt-out and any disability premiums that have been paid are not refundable.

In order to opt-out, the employee and their employer must fully complete the *Opting Out of 3sHealth Disability Income Plan Benefits Form* and provide it to the 3sHealth Employee Benefits Department. This form can be found on the 3sHealth website (www.3sHealth.ca).

Once an employee has opted-out of the 3sHealth Disability Income Plan any subsequent changes in employment status such as a change in status from casual to permanent or a move to a different 3sHealth Participating Employer, will not result in automatic eligibility for Disability Income Plan membership. Choosing to opt-out of the 3sHealth Disability Income Plan means opting-out of the Plan in relation to all employment scenarios. However, also effective January 1, 2013 an employee who opted-out of a 3sHealth Disability Income Plan on retirement and rehire will be able to apply to opt-in to the Plan. In order to opt-in after previously opting-out, an employee will need to meet all eligibility requirements per the terms of the applicable Disability Income Plan and will need to be approved for coverage through the submission of required medical evidence of insurability.

Please contact the 3sHealth Disability Income Plan area at 1-866-278-2301 (press 1 for disability) if you have any questions.

*SUN employees, through the collective bargaining process, have had the choice to opt-out on rehire following retirement since December 2005.