

# CAAT ACADEMIC BENEFITS

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# Agenda

- Overview of benefit plan
  - Full time
  - Partial load
- Travel Insurance
- Joint Insurance Committee
- Retiree Benefits
- Pension
  - University Mergers
  - Other than regular full time workers

# OVERVIEW OF BENEFIT PLAN

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Full Time

# CAAT Academic Benefits - Full Time

- Extended Health Care – 100% employer paid
  - Semi Private Hospital in Canada (100% coverage)
  - Drugs & Vaccines (85% coverage)
  - Medical services (85% coverage)
  - Paramedical services (85% coverage – Max. \$1,500)
  - Medical equipment & supplies (85%)
  - Ambulance (85% of co-payment amount)
  - Private duty nursing
  - Orthopedic shoes/orthotics – 1 pair (either/or) a year unless under age of 8 (then 2)

# Academic - Full Time

- Vision Care: 75% – 25% employer/employee paid
  - Covers contact lenses, laser eye correction surgery, eyeglasses (lenses and frames)
  - Needs to be prescribed
  - 100% to a max. of \$400:
    - Benefit “year” - kids (Sept. 1 to Aug. 31)
    - Benefit “period” - adults (Sept. 1/14 to Aug. 31/16)
  - Will not cover glasses purchased over the counter
  - Does not include eye exams (use paramedical coverage)

# Academic - Full Time

- Hearing: 75%–25% employer/employee paid
  - Hearing aids including maintenance, repairs and batteries
  - \$3,000 per benefit period (ending Aug. 31/15)
  - Benefit period is 3 years
  - Also provides for other assistive devices – check booklet

# Academic – Full Time

- Dental Care: 100% employer paid
  - Basic services including dentures (100%)
  - Crowns, and Bridges (50%)
  - Orthodontic (50% - \$2,500 lifetime)
  - Max is \$2,500 annually for all services combined
  - Paid at 2014 ODA fee guide for General Practitioners

# Academic - Full Time

- Life Insurance: 100% employer paid
  - Basic: \$25,000
    - Additional \$25,000 if an accident (AD&D) – also covers certain losses of uses
  - Supplementary: Units of \$10,000 up to \$60,000 (premiums split equally)
  - Employee pay all: Unit of \$10,000 to a max \$300,00 combined with above
  - Dependent Life: \$5,000 spouse, \$2,000 child (employee paid)
- Critical Illness: Units of \$25,000 to max. \$200,000



# Long Term Disability – Full Time

- Employees pay 100% of premium
- Benefit pay 60% of salary in the event of total disability (non-taxable)
- Waiting period of 130 working days
  - Total disability for first 24 months is the inability to do all of the duties of your own job,
  - after that, you must be unable to do any job that you would be qualified for because of your education, training & experience
  - Rehabilitative employment available at Sun Life's discretion – will not continue beyond 12 months

# Long Term Disability

- LTD rate increase recently introduced (February 1)
  - LTD plan historically had large surplus
  - Plan provided a “rate subsidization” to use up some of the surplus to a realistic level
  - Rates are entirely dependent upon utilization of the plan and required reserving
  - Rates are now \$1.99 per \$100 of insurance

# Historical LTD Rates

| Year     | Rate per \$100 of benefit |
|----------|---------------------------|
| Feb 2003 | 3.45                      |
| Jul 2003 | 4.45                      |
| Feb 2004 | 4.72                      |
| Feb 2005 | 4.96                      |
| Feb 2006 | 3.72                      |
| Aug 2006 | 2.79                      |
| Feb 2007 | 2.50                      |
| Aug 2007 | 2.00                      |
| Feb 2009 | 1.50                      |
| Feb 2010 | 1.50                      |
| Oct 2010 | 0.75                      |
| Feb 2011 | 0.94                      |
| Feb 2012 | 1.18                      |
| Feb 2013 | 1.48                      |
| Feb 2014 | 1.63                      |
| Feb 2015 | 1.99                      |

# Long Term Disability

- A member making \$90,000 paid \$73.35 plus tax per month in 2014 for LTD.
- A member making the same amount of money in 2015 and will be paying \$89.55 plus tax in 2015.
- The difference is an increase of \$16.20 per month (plus tax) for someone making \$90,000 per year.

# OVERVIEW OF BENEFIT PLAN

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Partial Load

# CAAT Academic Benefits

## Partial Load Employees

- Coverage under each benefit is the same as for full time employees:
  - Extended Health Care: mandatory unless waived (100% employer paid single or family)
  - All other coverage is 100% employee paid
  - No coverage for Long Term Disability
  - **Must elect coverage within 31 days of being hired, if not, must have a break in service of 6 months**

# CAAT Academic Benefits

## Partial Load Employees

- Partial load employees working at more than one college should get benefits at both colleges and can coordinate between them
- Can keep benefits between contracts if there is a written offer of employment for a future date when contract ends.
  - employee pays 100% of premium

# Partial Load

- Waiting periods:
  - Health, vision, hearing, critical illness, life insurance: 1<sup>st</sup> of the month following completion of 1 calendar month
  - Dental: 1<sup>st</sup> of the month following completion of 6 calendar months
- Claim submission deadline:
  - within 90 days of termination of insurance or
  - if no termination 548 days of the date the expense was incurred



# TRAVEL INSURANCE

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New Benefit Effective October 1, 2014

# Travel Insurance

- New to your benefit plan – October 1, 2014
- Out of Province/Country Travel Insurance covers you, your spouse/dependents
  - Take travel card with you
  - In the event of emergency call Europ Assist
  - Provide your name/patients name, location and phone number and a description of the situation
  - They will coordinate care and any other necessary services
  - Stay in touch with Europ Assist until they advise otherwise

# Travel Insurance

- What's covered?
  - Emergency expenses and services such as:
    - hospital stays, physician's services, ambulances, outpatient services related to emergency, etc.
  - Other expenses:
    - Accommodation, replacement tickets, return home of dependent children, visit by family member, translation services, lost travel documents or luggage, return of personal or rented car.

# JOINT INSURANCE COMMITTEE

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Advocating for you

# CAAT Academic Joint Insurance Committee

- OPSEU elected members, employer reps and Council sit on Committee and advocate on members' behalf
- Representatives of Sun Life attend
- Main job is to:
  - Manage financial aspects of the plan
  - Review contentious claims
- If you are denied a claim or not paid appropriately ask questions, and appeal if necessary. Contact an OPSEU JIC member for assistance.

# RETIREE BENEFITS

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# CAAT Retiree Benefits

- Premiums are paid 100% by retirees
- Different levels of coverage available
  - 3 Extended Health plans
  - 2 Dental Plans
  - Basic life insurance to age 75
- Can choose all, or just one, it's up to you
- Can only move down in coverage, not up
- **Must enroll within 31 days of retiring**

# Retiree Extended Health

- Extended Health Plan I
  - Most similar to your current plan
  - Pays drugs at 100% (generic) or 85% (brand name)
  - Most expensive option
- Extended Health Plan II
  - Same as Plan I but with no semi-private hospital or vision care and reduced massage coverage



# Retiree Extended Health

- Extended Health Plan III
  - Less comprehensive than Plan I and II
  - Mandatory generic drug substitution
  - Drugs have deductibles (under age 65), but still provides for unlimited drug coverage

# Retiree Dental

- Dental Plan I
  - Basic, endodontic, periodontic services and dentures at 100%
  - Crowns, bridges and inlays/onlays at 50%
  - Orthodontics at 50%
- Dental Plan II
  - No basic services covered except for endodontic, periodontic and dentures at 100%
  - Crowns, bridges and inlays/onlays at 50%
  - No orthodontics

# Retiree Life Insurance

- Life Insurance \$10,000
  - Rates based on active group so much less expensive than other groups
  - Coverage ends at age 75 (unlike other groups)
- Optional Life
  - Units of \$5,000 to a max. of \$500,000 or pre-retirement amount of all life insurance you had, which ever is less
  - only available until age 65

# Retiree Benefit Costs:

- Basic Life \$2.40 per month (non-Academics pay \$17.20)
- Additional Life 90 cents per \$1,000 of coverage
  
- Extended Health Plan I
  - Single - \$141.08 per month
  - Family - \$281.08 per month
- Extended Health Plan II
  - Single - \$104.03 per month
  - Family - \$214.90 per month
- Extended Health Plan III
  - Single - \$51.66 per month
  - Family - \$105.25 per month

# Retiree Benefit Costs:

- Dental Plan I

- Single - \$63.04 per month
- Family - \$146.57 per month

- Dental Plan II

- Single - \$30.44 per month
- Family - \$63.27 per month

- Provincial sales tax is added to the above noted rates.

# CAAT PENSION PLAN

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University Mergers

# University Mergers

- Board and Sponsors' Committee of CAAT developed these three principles:
- Number 1: Mergers have to be in the best interest of CAAT Plan members.
- Number 2: The CAAT Plan will not assume any university's pension deficit.
- Number 3: Colleges and members who work at colleges, will retain at least 50% of the governance roles, regardless of how many universities join.

# University Mergers

- The proposal improves the probability of remaining fully funded in more adverse economic scenarios.
- It improves the probability of paying conditional indexation for the periods of service that have conditional indexation.
- The proposal also improves the stability of contribution rates, so they are less volatile.
- They also accelerate the timing of potential contribution decreases for all.



# University Mergers

Three key steps in the process.

- 1. Awareness – Universities are made aware of the offer and understand the impact
- 2. Detailed Discussions – Following the Board's key guiding principles, discussions are conducted with interested parties
- 3. Agreement – A university and its pension plan members reach an agreement about the intent to merge their plan with the CAAT Plan.

# CAAT PENSION PLAN

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Other than regular full time

# CAAT Pension Plan

## Other than regular full time

- Effective January 1, 2014 there is no waiting period to join the pension plan for those who work “other than regular full time”
- Applies to partial load, sessional, part-time etc.
- Plan will send information to employees when hired
- They can elect to join, or not to join the plan, and need to sign off on their choice
  - If they don't join right away, and join the plan at a later date, any buyback of pensionable service will be at their own expense

# CAAT Pension Plan

- Once you join you must remain in the pension plan
- Contributions are “locked in” and must be used for retirement purposes
- If you leave the college system and are not eligible for an early pension, you can transfer your commuted value to:
  - another registered pension plan that will accept the transfer
  - a locked in RRSP
  - Locked-in Retirement Account (LIRA), or
  - a Life Income Fund (LIF); or
  - purchase of a life annuity, payable at the time you would be entitled to pension payments.

# Pension contributions

- In 2015, members contribute 11.2% on their pensionable earnings below \$53,600 and 14.8% on earnings above that amount.
- Contributions are tax deductible and matched by the college (not taxable to you)

| Pensionable Earnings | Annualized Earnings (based on 50% of full-time hours) | Contribution amount below the YMPE | Contribution amount above the YMPE | Total Contributions |
|----------------------|---|------------------------------------|------------------------------------|---------------------|
| \$20,000             | \$40,000  | \$2,240                            | \$0                                | \$2,240             |
| \$30,000             | \$60,000  | \$3,002                            | \$474                              | \$3,475             |
| \$40,000             | \$80,000  | \$3,002                            | \$1,954                            | \$4,955             |
| \$50,000             | \$100,000   | \$3,002                            | \$3,434                            | \$6,435             |
| \$60,000             | \$120,000   | \$3,002                            | \$4,914                            | \$7,915             |
| \$70,000             | \$140,000   | \$3,002                            | \$6,394                            | \$9,395             |

Questions?

