



*Mainstay Insurance Brokerage Inc. Phone: (905)886-9203*

## In order to serve you better

To assist you with your employee benefit plan, we are continually updating our website. Located at:

[www.mainstayinsurance.ca](http://www.mainstayinsurance.ca)

The site provides easy access to many insurance company's websites and to the health and dental claim forms you utilize on a regular basis. We have also added links to the log-on pages for members (employees) in order to provide quick entry to websites.

If you use a form that is not on our website and would like it added, please send us an e-mail at:

[feedback@mainstayinsurance.ca](mailto:feedback@mainstayinsurance.ca)

## Traveling out of country?

If you are planning a trip out of Canada, don't forget to take your out of country card and/or the brochure provided by your insurer.

In the event you have an accident or illness while away, call the 1-800 number immediately to open a claim. Your provider will assist with the processing of your claim with your provincial health plan (e.g. OHIP) and will attempt to reimburse claim payments directly to the treatment provider.

If you fail to call at the time the incident occurs, you may be required to submit the claim to the provincial plan before the insurer can consider payment. This can result in lengthy delays in obtaining reimbursement and possibly even claim ineligibility.

Contact your insurance provider or your plan administrator for more information.

## Plan member websites improving

As insurers upgrade their websites, many are now offering their plan members access to the claim and administrative forms they use every day. These web-sites may be accessed when forms are required at any time of the day or night.

Most insurers use Adobe Acrobat (.pdf) formatted documents so that people can access and print the forms regardless of the operating system they use.

In order to find out what type of information your insurers site offers, visit the web page address that is listed in your employee booklet or visit our website for links to many of the insurers sites and forms.

[www.mainstayinsurance.ca](http://www.mainstayinsurance.ca)

Many of the sites will also allow you to track past claims, determine when you are next eligible for glasses, or set up the direct deposit of your claims reimbursement to your personal bank account.

In order to be able to access these sites you will have to register using your policy number, certificate number and other personal information such as date of birth. You are then assigned a password (that can then be changed) and granted entry to your information.

For more information, read your employee booklet, contact your plan administrator or visit the insurers website.

## New Year's resolutions that can last a lifetime

Almost everyone makes New Year's resolutions and many are forgotten as quickly as they are made. How about making one that will last and that will benefit not just you but your whole family.

We are not talking about quitting smoking or losing weight, although those are both good goals. We are talking about planning for your family's future or the possible lack of one for yourself.

In this business we see people everyday who pass away without a will and with little or no life insurance. Handling these two simple items can make life much easier for spouses and children left after an unexpected death.

The price of a will is around \$500 for a couple including powers of attorney. This is more economical, easier and

faster than leaving things to the province and probate.

Many people believe that the amount of insurance they have to cover their mortgage and from their employer is enough. It may be if you are single with no financial obligations, but in most cases it is inadequate to provide for a family after death. The smaller amounts provided by employee benefit plans are often just enough to cover burial expenses. This coverage only provides a benefit as long as you are employed. The day you terminate your employment or the employer ends the plan, your insurance coverage also ends.

Life Insurance rates have never been better. Simple term insurance can provide funding to cover things like mortgages, debt, children's education funds and lost

income at reasonable rates.

For a 35 year old male non-smoker in good health buying \$250,000 of 10 year term coverage would cost about \$20/month (\$30 for a 20 year term). A female of the same age and coverage amount would cost about \$16/month (\$24 for a 20 year term). With prices this affordable there is little reason to put off such a purchase.

Mainstay Insurance Brokerage specializes in providing employee benefits and does not typically sell individual life insurance products. We have a number of associates throughout the city that can meet with you to discuss your individual insurance needs.

Most lawyers (or their associates) prepare wills. If you do not have someone to turn to, we can also help with a referral.



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Note: This side of the newsletter is intended for you, the plan administrator. The information on the 'front' is targeted more to your staff and can be copied and distributed for their reference.

### *Just in case you were wondering...*

During a recent seminar on drug costs, an interesting fact was mentioned. The Ontario Drug Benefit (ODB) Program (which provides coverage to seniors, Trillium Plan subscribers, and those on social assistance) has seen its costs increase by 50% in three years.

This illustrates the level of cost increases we are all facing. (Please note that the ODB does not cover many of the new higher priced drugs that private plans currently DO cover.)

This information is provided as a reference to clients of Mainstay Insurance Brokerage Inc. It is not intended as advice. Your situation and the contract provided by your insurer as well as any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

## Reminders when preparing your employees T-4's

Each year at renewal time we review some of the taxation issues that affect your benefit plan. In many cases your accountant or bookkeeper will also raise these issues.

To ensure that issues are dealt with at the appropriate time of the year, we continue to include an annual reminder in this newsletter. This is not intended to offer advice but simply to remind you of some of the important issues so that you can meet with your accountant to ensure that your situation is handled in the most appropriate manner.

Employee life and dependent life insurance that is paid for by the employer is a taxable benefit in all provinces and ALL amounts must be shown as such on your employee's T-4. If your employee pays the premium for this benefit then this is not an issue.

Accidental Death & Disability (AD&D) premiums paid for by employers in QUEBEC are considered taxable and are treated like life insurance premiums.

Long term disability premiums paid by the employer are NOT a taxable benefit but WILL be taxed at the time a claim is received. Therefore an other alternative may be to have employees contribute 100% of this premium cost throughout the year, to maintain a tax free benefit for them at the time a claim is received.

Health and dental premiums (including Health Care Spending Accounts) are a taxable benefit to Quebec employees. Health plans must also comply with the Quebec legislation RAMQ. Information is available from RAMQ or under "additional information" at our website.

There are a number of pieces of legislation that interact with each other and contradict each other. An example of this affects plans with Quebec employees. The provincial rules dictate that any benefit paid to an employee (such as HCSA amounts or "cost plus" benefits) must be included as a taxable benefit for that individual (in addition to regular premiums). However, privacy legislation indicates that such information may no longer be provided to the employer to ensure the employees right to privacy. This makes the first piece of legislation difficult to comply with.

Because of the complexity of some of these issues, it is often best to discuss them with your accountant, lawyer or human resource professional to find the method best suited to your particular situation.

## Take the time to review your statement

We are often rushed with the ongoing administrative hassles that make up our day. In doing so we often fail to take the time to check what is really being done

Paying the monthly benefit premium is just one of the tasks most clients handle very quickly, many by using Electronic Funds Transfer (EFT) to have the premiums deducted from their account.

Where we often fail is to check the statement each month for accuracy of information and to ensure changes have been made in a timely manner.

We are often approached to assist in correcting problems

that have taken place long ago but have "just" been noticed. This is often possible but can sometimes result in problems or expenses on the employer that are unnecessary.

Items to check for on your billing statement include:

- a) ensuring all new eligible staff are enrolled
- b) ensuring that any terminated members have been removed
- c) confirming salary increases have been updated (if life or LTD benefits amounts are linked to earnings)
- d) confirming staff have

received the appropriate life and LTD benefit amounts (especially if above the non-evidence maximum (NEM))

e) ensuring that the deductions you are making for staff LTD or premium sharing are still correct

f) ensuring that status changes have been updated (such as changes from single to family coverage or from family to a waiver of coverage in the event an employee is now being covered by a spousal plan).

These quick checks can save your firm money. If anything on your statement is unclear, please contact your insurer or Mainstay for assistance.