

Group Benefit Plan Considerations during Pregnancy and Parental Leave in Ontario

We are often approached by employees interested in dropping benefit coverage during Pregnancy Leave. Often this is to save paying your share of the premium that your employer will require during the absence (in the form of post-dated cheques). Normally this is deducted from your paycheque each month.

We STRONGLY suggest you NOT drop your valuable coverage for a number of reasons.

1. Your family depends on your health and dental benefits. Not just yourself but your spouse, child(ren) and your newborn. A drug or hospital stay can be expensive, and could be required for your baby or yourself. This is not the time to remove this coverage.
2. Your Long-Term Disability (LTD) coverage protects you while you are off on legislated leave for incidents that occur similar to if you were at work. A car accident could leave you unable to work for months or even years. This is not the time to remove this coverage.
3. If you drop coverage and require it again during your leave, you can only re-add it by returning to work. At this time most insurers will require you to provide medical evidence of good health in order to get coverage. You may not be able to provide this if you have had any issues and this may prevent you from obtaining coverage as you'd wished.
4. If you drop coverage and return at the end of your leave, after 12 (or 18) months, your insurer may treat you as a new hire. This may mean a 3 month wait for benefits or more importantly, the insurer may reset your "pre-existing condition clause" on LTD. What this means is that if you had any health issues in the 90 days prior to returning to work, the insurer may disallow a disability claim in the first year after returning to work (example below). This can be serious in the case of a case such as post-partum depression that extends beyond the return to work date.

e.g. This clause states that no LTD benefit is payable for a disability that commences within twelve months from the effective date of insurance and that is caused by, or is a consequence of, an Injury or Sickness for which the Insured Employee received treatment or medication in the ninety-day period immediately preceding the effective date of insurance.

5. Your employer has provided the benefit plan to protect employees and their families. Anyone dropping coverage puts not just their families at risk, but also the employer due to possible legal actions. Please protect your plan.

Ontario Employment Standards Act (ESA) reference document

<https://www.ontario.ca/document/your-guide-employment-standards-act/pregnancy-and-parental-leave>

The right to continue to participate in benefit plans

Employees on pregnancy or parental leave have a right to continue to take part in certain benefit plans that their employer may offer. These include:

- pension plans;
- life insurance plans;
- accidental death plans;
- extended health plans; and
- dental plans.

The employer must continue to pay its share of the premiums for any of these plans that were offered before the leave, unless the employee tells the employer in writing that he or she will not continue to pay his or her own share of the premiums.

In most cases, employees must continue to pay their share of the premiums in order to continue to participate in these plans.

Employees who are on pregnancy or parental leave can also continue to participate in other benefit plans if employees who are on other types of leave are able to continue to participate in those plans.

In addition, a female employee may be entitled to disability benefits during that part of the leave during which she would not have been able to work for health reasons related to her pregnancy or childbirth.

YOUR INSURANCE COMPANY CONTRACT SUPERCEDES THIS DOCUMENT – USE FOR REFERENCE ONLY - 2019