



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

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 access to other websites.

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

Dave@mainstayinsurance.ca

Did you know that...

...there are **Free** online telemedicine services available in Ontario, British Columbia and Alberta such as:

<https://tiahealth.com/>

You can reach out to a doctor to get assistance with simple medical issues, a referral, lab requisitions, prescriptions (& refills), mental health support, and more.

There are also mail order pharmacies with great rates and free delivery. We have had very good success with:

<https://www.pocketpills.com/>

Call us at: 1-905-886-9203

or send us an e-mail at:
dave@mainstayinsurance.ca

Ensure your information (and dependants) is up to date

You, as an employee, have a responsibility to keep your employer up to date on status changes that can affect your employee benefit plan. Most plans require that such changes be updated within 31 days of the change taking effect.

Status changes may include: birth or adoption of a child, marriage, same sex or common law cohabitation, separation or divorce.

During COVID and with people working remotely, changes may occur that employers are not aware of, but need to be updated.

A child may no longer be attending post-secondary school full time, you may have separated or divorced, or your spouse may have lost or gained benefit coverage.

All of these changes affect your coverage and must be reported to your insurer as it can affect the way your claims are (or are not) paid.

It is important that all personal information is kept current so that your dependants are eligible for appropriate benefit coverage. Failing to make a timely status change can result in the insurer invoking late enrolment penalties. Such action can require you and/or your dependants to complete health questionnaires and may risk having your coverage declined.

Most carriers also have a late enrolment benefit limit on dental care if you do not make

changes in a timely fashion. This usually limits an employee and their dependants to a maximum of \$125 for dental care during the first year of coverage. This limitation could be a financial hardship if a family required even minimal dental work during that timeframe.

If your information is not correct, or if you are anticipating a change in status, please contact your plan administrator immediately.

Don't forget to update your home address and banking information too!

Beneficiary too.

You should also review your beneficiary designation(s) regularly and notify your insurance provider of any personal changes that might affect your benefit coverage.

Typically, if you have the changes mentioned earlier occurring in your life it may be a good time to review your coverage and beneficiary designation.

If you do NOT have the correct beneficiary designation identified, your life insurance proceeds will be directed to your estate. This is a less than advantageous option as the insurance proceeds may be used to pay final estate costs and taxes

rather than be distributed as you had expected or desired.

In the case of underage minor children, a trustee should ALWAYS be listed. If one is not included then the insurer will hold the life insurance proceeds until the child reaches the age of majority when the funds can legally be paid out.

This may result in a financial hardship for those raising the child(ren). You should always consult a lawyer experienced in wills and estate planning to review these issues. It makes sense to have a will prepared (or updated) at the same time you are revising your beneficiary information. By doing so, you can ensure that your wishes are carried out upon your death and that there is no confusion as to who should receive what.

If you want to make changes to your beneficiary, you can obtain the form directly from the insurers website. The change of beneficiary form must be completed and signed and then submitted to the insurer.

Lastly, if you are an employee who is currently required to work remotely due to the pandemic, you may be eligible to claim up to a \$400 tax deduction on your 2020 tax return. For more information check out the CRA site [here](#).



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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 plus any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

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...

... many clients have seen small premium rate decreases in recent months. This is driven mainly by fewer claims during the lockdown months of COVID.

We now see the Ontario Dental Association (ODA) raise the 2021 fee guide by 4.6%. This is the highest increase in decades and will mean some of those savings may be eaten up by higher costs in the coming year.

Are you cost sharing with staff? Learn about Box 85

Do you share the cost of your benefit plan (through payroll deduction) with your employees?

Employees who share the cost of their **health and dental premium** are entitled to claim their contribution amount on their annual tax return.

The portion deducted from employees should be reported annually in box 85 on your employees T4.

The following information is directly from the CRA site.

"If you make contributions to a private health services plan (such as medical or dental plans) for employees, there is

no taxable benefit to the employees.

Employee-paid premiums to a private health services plan are considered qualifying medical expenses and can be claimed by the employee on his or her income tax and benefit return.

Do not deduct CPP contributions, EI premiums, or income tax from benefits you provide to employees under private health services plans.

Include the amount that the employee paid on a T4 slip in the "Other

information" area under code **85**. The use of code **85** is optional. If you do not enter code **85**, we may ask the employee to provide supporting documents."

Employer paid premiums under a private health services plan are not taxable; do not report this benefit on a T4 slip.

More information is available on the CRA site at: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/hlth/prvt-eng.html>

Please ensure you pass this information on to your payroll provider or accounting department.

Taxable benefit reporting on T-4's

As we enter tax season, a reminder that there are some benefits that must be shown on an employee's T-4.

Life, AD&D, Dependent life, Critical Illness and Long-

Term Disability (LTD) premiums that are employer paid must be shown as taxable benefits. If an employee pays the costs, this is not an issue. In the case of Quebec staff, all

employer paid premiums are taxable benefits and must be reported (even health and dental).

Questions? Check with your accountant or give us a call.

IDEL extended in Ontario

The Ontario government has extended the Infectious Disease Emergency Leave (IDEL). This means that employers will not have to make any termination decisions about their laid off staff just yet.

Originally the leave was slated to end on January 2nd, 2021, but the IDEL has now been extended to end of July 3, 2021. This means a non-unionized employee whose employer has

temporarily reduced or eliminated their hours of work for reasons related to COVID-19 is deemed to be on a job-protected infectious disease emergency leave.

We have had a few clients who have had employees off since COVID began and were concerned that they may be required to terminate and pay severance on or soon after January 2nd.

That is no longer the case.

Put another way, any employee who is off on infectious disease emergency leave is generally entitled to the same rights as employees who take pregnancy or parental leave.

For more information on the IDEL leave, the guide can be found [here](#).