



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 entry 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...

You can make life much easier by registering on your insurers plan member website? You can obtain benefit information, forms and view your past claims. You can also register for direct deposit so that your claim payments are directly deposited into your bank account, which means you get reimbursed faster.

More and more of the insurers are allowing claims to be submitted online and this can be a great benefit. There are random audits on these e-claim submissions (just like income taxes) so remember to submit any information the insurer requests as failing to do so can mean losing the ability to claim electronically in the future.

Please Read this BEFORE you Travel !

At your annual renewal meeting we review the issues around emergency medical travel coverage in order to make our clients aware of the limitations that exist in every plan (both group and individual).

Most important is the definition of **emergency** travel coverage. Many insurers define it as "an accident or injury or an **unforeseen illness** that **begins** while the insured is traveling". It further clarifies, stating, "any illness previously diagnosed or treated in Canada may not be covered". The majority of firms have also added a stability clause that excludes coverage from any medical issues that have changed or been treated from 30 to 90 days before the date of travel.

WHAT DOES THIS REALLY MEAN?

These definitions may mean that you are **NOT** covered when you travel out of Canada if:

1. You are in a high-risk pregnancy or beyond your 32nd -35th week of pregnancy.
2. You have recently had or are scheduled to have surgery or treatment for a medical condition.
3. It has been suggested that you have, or are scheduled for or are awaiting a test, or test results.
4. Your physician would say

or has said that you are not medically stable or safe to travel.

5. You have had recent changes to medication, or it has been recommended that you do so; or it is recommended that you start on a new medication or treatment. Even a different dosage could qualify as a change.

It is important to note that your out of country coverage may still be in effect for other illnesses and injuries that are **NOT** in any way related to your pre-existing condition.

Another issue that can cause a problem with a travel claim is the requirement to contact the carrier immediately when treatment is required. This is significant, as many plans will **NOT** pay if they are not notified immediately of a medical issue.

Typically when someone seeks medical attention in a foreign country (including the US) they provide their insurance information and are assured that the hospital will "take care of everything". This **DOES NOT** mean that the hospital will contact the insurer. In fact, they may intentionally NOT make contact with the insurer in an effort to run additional tests. Some insurers specifically state that they will not pay for any PET/CAT, or MRI's unless pre-authorized, for this very

reason.

Some insurers will not pay a claim for an emergency incurred in a country or region for which the Canadian government has issued either an "avoid non-essential travel" or "avoid all travel" warning.

What can you do to ensure that you have proper medical coverage in place when you travel?

1. Ensure you are in good, stable health and are not traveling against doctor's orders.
2. Take your OHIP and travel insurance card and brochure with you when you travel.
3. Call the insurer the moment an event arises. Do not wait for a hospital or clinic to do so.
4. Check the website <http://www.voyage.gc.ca/>
5. When traveling, consider the use of a phone service such as Canada Direct. This provides a local phone number that you can call from most countries direct to Canada.

This is done with an English or French speaking operator and allows services such as collect calling and third party billing.

Call or visit their web site at infocanadadirect.com



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

Just in case you were wondering...

Plan members can update their beneficiaries at any time. If you are considering a reason to communicate with your staff about benefits, a great reason to do so is to remind them to update their beneficiary information in the event that their situation has changed. This is often done at enrolment and then forgotten. Changes in marital status or children reaching legal age are just a couple of reasons this should be revisited on a regular basis.

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.

Are Your Payroll Deductions and T-4's Correct?

Each year at your plan's renewal we review some of the taxation issues that impact your benefit plan. Your accountant or bookkeeper may also raise these issues.

To ensure that issues are dealt with in a timely manner, we also continue to include an annual reminder in this newsletter. This is not intended to offer advice but simply to remind you to discuss tax issues with your accountant to ensure that your situation is handled in the most appropriate manner.

As a result of changes in the 2012 federal budget, any contributions made by employers to group sickness and accident plans will change the status to a **TAXABLE** benefit. Both Accidental Death & Dismemberment (AD&D) and Critical Illness (CI) benefits were directly affected by this change.

The above noted change is similar to the taxation of employee and dependent life insurance that is employer paid. It is also a taxable benefit in all provinces and ALL

amounts must be shown on your employee's T-4. If your employee pays the premium for these benefits then this is not an issue.

Long-term disability premiums paid by the employer are generally NOT a taxable benefit but the actual disability benefits WILL be taxed at the time they are received.

Alternatively, IF the employer paid cost is shown as a taxable benefit to employees through the year, (as with life and other employer paid benefits) then the benefit would be paid in a non-taxable manner at the time of claim.

Recognizing this, many employers have employees contribute 100% of the cost of the premium through the year, to maintain a tax-free benefit for them should a disability claim be approved and the benefits received.

The tax bulletin [IT-428](#) and your accountant can provide information on how to best handle taxes on this benefit.

Health and dental premiums (including

Heath Care Spending Accounts) are a taxable benefit to Quebec employees only.

Ensure that this information is updated with your payroll provider if you have any employees who live or work in Quebec.

Many of our clients use a 50/50 cost sharing of premium with staff but in reality, to best utilize the various taxes, the formula actually used is calculated as:

The employee pays the greater of:

1. 50% of the monthly premium (+tax)

or

2. The Life + AD&D + Dep. Life + CI + LTD premium (+tax)

Because of the complexity of these issues, it is always best to discuss them with your human resources professional or accountant to find the method best suited to your particular situation

Feel free to contact us at anytime with questions as pre-planning now can save larger problems later.