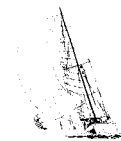


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# From the Masthead



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)

## Keep your plan updated!

As an employee, it is your responsibility to keep your plan administrator up to date on the status of changes that could affect your group benefit coverage.

These changes include getting married, moving in common law, separating or divorcing, having or adopting a baby, having a child over 21 in school full time, obtaining or losing spousal benefits etc. These changes must be made within 31 days of when the change occurs.

If any of these situations happen to you, then you will need to update your coverage to ensure that your family has the benefits they are entitled to, and that you are not charged for those who no longer require them.

Contact your insurer or plan administrator for more details.

## Ontario Budget Hits Employee Benefits

The Ontario provincial budget was delivered on May 18<sup>th</sup>. Within it are a number of changes that affect both employers and employees. It impacts both the manner and what specifically each group insurance plan will and will not have to cover. Each employer's situation is unique and dependant on the insurer, plan design, age of staff, dependent children etc. All employers will be affected by these changes to some degree.

### Ontario Health Premium

The first BIG change is the introduction of the Ontario Health Premium (OHP) to be paid by all employees earning greater than \$20,000/year. This premium will range from \$300 to \$900 per year depending on salary levels. It is effective July 1<sup>st</sup> and is required to be deducted from your pay by your employer.

This "premium" is in addition to the existing Employer Health Tax that your employer already pays toward Ontario residents OHIP coverage. The new OHP will not affect the amount of any premium that you may currently share with your employer for group benefits.

### De-listing of Services

Starting this fall, OHIP will no longer cover the cost of optometry exams (except for those under 20 or over 65 years of age).

Prior to this budget change, OHIP was paying for one exam every two years for those aged 20 to 65 (this was already reduced from one per year in a prior budget).

Chiropractic care will also be removed from OHIP. OHIP had covered a portion of visits up to a maximum of \$220 per year until the 1998 budget when it was reduced to \$150 per year. This coverage is now being fully removed which means the rate your Chiropractor charges may increase to include the amount that OHIP had paid in the past.

Physiotherapy services are also being de-listed from OHIP. This is also a change as previously a physician could order a patient to a government approved facility and the cost of the treatment would be covered by the province. Once this change takes effect the only eligible physiotherapy charges to be considered by OHIP will be for those in home or long term care facilities.

The bottom line result of the budget is that many services that were not paid for by your benefit plan in the past, will now be required to be covered. This is likely to cause an increase in premium as claims that were once covered out of an employee's pockets or by OHIP may now be payable by private plans.

### Immunization Programs

One benefit of the budget is that vaccinations for chicken pox, meningitis and pneumonia will be added to the list of free vaccines already provided by the province. This will result in a savings to benefit plans that currently cover these vaccines as they will no longer be required to pay this cost.

The extent and timing of the changes have not yet been detailed by the province. As information is provided, please watch for updates by OHIP and from your insurance company.

For more information on the budget in general, and the effects on health care specifically, please refer to the Province of Ontario's website at...

<http://www.gov.on.ca/FIN/english/budeng.htm>



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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...**

In a recent survey conducted for *Benefits Canada*, the following results were noted.

84% of plan members agree an employer has an obligation to keep employees healthy.

51% would rather tend to their health without the employers help.

43% agreed that health was their own business and of no consequence to the employer.

This illustrates that it continues to be a difficult task to try to please all your staff when it comes to benefit coverage.

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.

**The new "Ontario Health Premium"**

The introduction of the new Ontario Health Premium for employers in the Ontario Budget has created many questions

. This "premium" is in addition to the already existing Employer Health Tax that replaced the old premium based system OHIP had used in the past.

The budget backgrounder "Transforming Health Care" says the purpose of this premium is ... "To

*reduce wait times for health care, provide more doctors and nurses and deliver results for patients, legislation will be introduced to create the Ontario Health Premium, with every cent dedicated to health, and only health."*

Further "The government proposes to: Implement an Ontario Health Premium that would be collected through the income tax system beginning July 1, 2004. The premium would be

*based on taxable income."* The premium will be collected through the CRA (Canadian Revenue Agency) payroll deduction tables update of July 1, 2004 so there will be no additional reporting or filing required by employers.

Please be sure you and your staff are aware of this change. Your staff may be expecting answers to questions as they see an extra \$25-\$50 a month "disappear" from their paycheques.

Ontario Health Premium		
Taxable Income	2004 Premium	2005 Premium
Up to \$20,000	\$0	\$0
\$20,000 - \$36,000	\$150	\$300
\$36,000 - \$48,000	\$225	\$450
\$48,000 - \$72,000	\$300	\$600
\$72,000 - \$200,000	\$375	\$750
> \$200,000	\$450	\$900

**Communicating with clients. Newsletter to Website**

Our web site is available to help make life easier for both employers and employees. With that in mind, we regularly update information in an effort to provide quick access to the data you need.



The best source of information that should be added to our site comes from you. When we receive a question about a tax issue for example, we find the answer and then post a link to the site for future reference for

others.

If you have forms, links or data that you think would be helpful to access in this way, please let us know and we will add them to our site. We are also adding articles from a variety of publications that may provide assistance in the insurance, benefits or human resource areas. If you come across useful data in these areas, we can also approach the publishers for permission to add them.

This quarterly newsletter "From the Masthead" is intended to keep you and your staff up to date on issues impacting insurance. Some of the articles are reprinted at the same time

each year (tax issues for example) while others are in response to questions received in previous months.

We have included a copy of the newsletter on the website so that back issues can be obtained at your convenience for review or to copy for distribution to your staff.

