



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

## Do You Have Full Time Students Back At School?

### 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 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:

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

### ***Did you know that..***

Pharmacies all have different prices that they can sell drugs at and for the dispensing fees they charge. There is one set of prices for those over age 65 and on the Ontario Drug Benefit plan, another for those with employer benefit plans and still another, typically the highest, for cash paying customers.

By shopping around you may be able reduce your cost dramatically as dispensing fees can range from as low as \$4 to as high as \$12.

There are also a number of local "mail order" pharmacies that often charge lower dispensing fees and offer the convenience of delivery to your door.

Each year we run the following article as a reminder to parents.

If you have a child who has entered post secondary education or who returned, it is your responsibility to ensure that their personal information is kept up to date with the insurer in order to maintain their benefit coverage.

Most group benefit plans define a dependant child as; "an employee's natural or adopted child, or stepchild, who is

- Unmarried;
- Not employed on a full-time basis;
- Not eligible for insurance under another group policy; AND
- Either under 21 years of age, or, if a full-time student at an accredited school, college or university, under 25 years of age

Depending on the insurer, you may be asked to fill out a form providing details such as the name of the school, the length of the program etc. Some may ask for proof of full time enrolment and others may simply ask for a phone call providing a verbal statement that your child is enrolled full time and that will be recorded on file.

In most cases you will be

required to update information with the insurer each year that your child is returning to school and remains eligible for coverage. Most carriers require the information by the end of August.

Keeping this information updated is EXTREMELY important. By ensuring coverage is up to date, it ensures quick and easy claims payment should your child need prescription drugs or a dental visit while at school. It also ensures that the appropriate out of country coverage is in force. This is very important if your child were to leave the country and require emergency medical treatment. School or spring break trips are good examples of when services might be needed. An emergency is NOT the time to find out that your child has been removed from the plan because you forgot to update their information.

If your student is enrolled in a post secondary school that is outside of Canada, there are a number of other issues that also need to be considered.

The student will require an extension from OHIP (or your provincial health insurance plan). This does two things: it ensures your child's ongoing OHIP

coverage upon their return from school and allows group benefit plans to maintain coverage. This coverage is NOT always automatic and in most cases the insurer will need to be notified that your child will be attending school out of the country, that the OHIP coverage extension has been approved, and that they are enrolled fulltime (the same as an in province student).

If your child is no longer a full-time post secondary student, are married or are working full-time, they are no longer eligible to be on your benefit plan. They must enroll in the plan provided by their own employer or obtain personal individual coverage of their own. Having them remain on your employers benefit plan and not in compliance with the contract will result in their claims being declined.

Speak to your plan administrator or call the insurer directly if you have any questions or concerns, or to verify your child's coverage.

Insurer contact information can be obtained from your employee booklet or through our company website at:

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



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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...*

If you have a long or short-term disability plan that is employer paid (a taxable benefit to employees making a claim) then EI and CPP contributions must be made by the employer and the employees receiving benefits.

This does not affect the pay of staff that are at work; only those who are off collecting disability benefits.

This change is retroactive to January 1<sup>st</sup> 2012

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.

## Termination of employee benefits

When staff leave your firm, benefits usually end on the last date worked. That is the case if they have resigned or if you have provided them with working notice.

What about cases where you have terminated an employee and not provided notice? The law states that an employer MUST continue benefits for the "pay in lieu of notice period". In most cases this is 1 week per year of service up to a maximum of 8 weeks. During this time, full benefits must be maintained.

Problems begin when there are severance monies provided that extend beyond the notice period. In these cases insurers will often allow benefits to be extended as long as it has been

requested and approved in advance. During this extension period, LTD benefits will not be available and in some cases travel coverage may also be terminated or limited.

These limitations can cause gaps in coverage for employees who may become disabled while in the severance period but after the pay in lieu of notice period has passed.

A number of recent court cases have ruled on behalf of employees during this time period. There are also cases where an employee has sued for wrongful dismissal and the court has required the employer to make the employee "whole" for the duration of the severance period. This means the employer is required to

provide FULL benefit coverage even though the insurer will not offer it.

To avoid these problems and areas of potential high liability, employers have two options. They can have the employee accept and sign off on severance packages acknowledging any limitations (such as the loss of LTD) that insurers require in order to reduce their risk.

Failing that, employers can provide the missing benefit coverage from another source (such as Transition LTD) that will bridge the gap between the legislated notice period and the end of the severance period.

Call us and/or a labour lawyer before entertaining these types of termination situations.

## If you join me in bleeding, I'll do the feeding...

As some of you may know I am a supporter of the organ and blood donation programs we have here in Ontario and across Canada.

Signing up for the Trillium Gift of Life Program for organ donation, being a regular blood donor, getting typed for the stem cell and bone marrow donor network: all can save a life.

I don't support this just because I ride a motorcycle (also known as organ donation machines), but simply because I agree with the Canadian Blood Services tag line;

**"it's in you to give".**

I donate blood every 56 days at the permanent clinic located in Hillcrest Mall in Richmond Hill (at Yonge and 16<sup>th</sup> Ave.). It is centrally located for myself (and for many of my clients who are located in the top of Toronto)

I have had a few friends and clients join me in the past and I'd like challenge you and your staff, family or friends to join in this very worthwhile and relatively painless event.

Tuesday November 6<sup>th</sup> at noon I have reserved a number of spots for

Mainstay friends and clients. If you are interested in attending, please drop me an e-mail or give me a call and I will send you a link to the website to book your time slot.

If you choose to join us, I will buy lunch afterwards at the food court in the mall. I know it's not fancy, but it is fast and you can get you back to work ASAP.

Whether you are a first timer or a regular donor, come on out and we'll have someone hold your hand and help make it a fun break in the day and enable you to do a good deed.