

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

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...

It is against the law (insurance fraud) for you or your dentist to conspire to avoid paying the co-payment. Not only is it a violation of the law, but it is contrary to the regulations of the Royal College of Dental Surgeons of Ontario (RCDSO) that regulates the dental profession. This practice is considered professional misconduct and a dentist can lose his license for it, as well as incurring hefty fines, often exceeding \$10,000.

By law, a claim made to an insurance company must be an accurate description of services rendered and fees charged. This is why you are required to sign the claim form before it is submitted to your insurance company.

From: Ontario Dental Association

Do You Have Full Time Students Back At School?

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

If you have a child who has entered post secondary education or has just 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 complete 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 confirmation via a phone call to verify that your child is enrolled full time and that call will be recorded.

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 child 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 extension does two things: it ensures your child's ongoing OHIP coverage upon their return from school and MAY allow group benefit plans to be extended to maintain coverage. This coverage is

NOT 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 in school fulltime (the same requirement for an in province student). Due to changes in US legislation (Obamacare), US schools will no longer accept extensions of group coverage for students studying there. This is due to the fact that it is emergency only coverage and below their minimum requirements. Coverage made specifically for US students may provide the best option in these cases.

If your child is no longer a full-time post secondary student, is married or is working full-time, they are no longer eligible to be on your plan. They must enroll in the plan provided by their own employer or obtain personal individual coverage of their own.

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



Mainstay Insurance Brokerage Inc.

10 Linton Court
Thornhill, Ontario
L3T 5M9

PHONE:
(905) 886-9203

TOLL FREE:
1-877-624-6789
1-877-MAINSTY

FAX:
(905) 707-0216

E-MAIL:
inquiries@mainstayinsurance.ca

WEBSITE:
Mainstayinsurance.ca

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...

We are always working with our clients in mind, and in our latest initiative, we are gathering brokers together to help the industry as a whole.

Our goal is to encourage insurers to make well thought out and planned amendments at renewal time rather than with little or no notice mid-year.

Learn more about the "Commitment to Contract Integrity for Group Benefits" at www.cgib.ca

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 you cost sharing with staff? Learn about Box 85

Do you share the cost of your employee benefit plan premium (by 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 is information from the CRA website.

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.

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 info to your payroll firm or accounting department.

Changes to the Employment Insurance (EI) waiting period

The 2016 Federal Budget released earlier this year included a change that will impact disability coverage on plans. The waiting period for Employment Insurance (EI) benefits will be reduced from two weeks to one week, starting January 1, 2017.*

The purpose of this change is to provide benefits to the eligible employee sooner so they avoid financial hardship.

Please note the number of weeks of paid benefit is NOT changing.

Currently the payment period is 17 weeks, including a 2-week waiting period (no paid benefit is issued) and 15 weeks of paid benefit.

With the proposed changes the payment period consists of a 1 week waiting period

(no paid benefit is issued), 15 weeks of paid benefit and 1 week with no benefit.

How will this change impact disability coverage? While we are still assessing the impacts these changes will have on disability coverage, we expect the following impacts:

- Plans registered with the Employment Insurance (EI) Premium Reduction Program will have to reduce the waiting period for Weekly Indemnity (WI) and/or Short-Term Disability (STD) benefits from two weeks to one week in order to preserve any EI premium reduction they are receiving.*

- Plans that integrate the expiry of EI benefits or EI-equivalent short-term disability benefits (WI or STD) with a privately-sponsored long-term disability (LTD) benefit will*

be affected.

We will continue to monitor and assess the impacts of these changes and communicate again as soon as we have more information.

Important notes
Service Canada advised the Canadian Life and Health Insurance Association (CLHIA) that employers impacted by these changes will be provided with a transition period to allow time to make the necessary amendments to their plans. During the transition period plans will continue to qualify for the EI Premium Reduction Program.

**This information is based on our understanding of the relevant legislation as of the date of this Bulletin.*

Above article supplied by Empire Life