

This Fact Sheet describes when an employee’s premium contributions begin via payroll deduction, and when they terminate. It also describes eligibility for continuation of coverage during a lay-off period or an approved leave of absence, and when employees are eligible to have their coverage reinstated.

### Coverage Effective Date

Benefit coverage begins on the 1<sup>st</sup> day of the month in which employment begins, with the exception of casual employees, who are eligible to participate the 1<sup>st</sup> day of the month following 6 months of continuous employment. If an employment contract or collective agreement states otherwise, the employment contract or collective agreement provisions will apply.

### Premium Deductions

Premiums for all insurances provide coverage for the following month, except for Voluntary Accidental Death and Dismemberment (AD&D), which provides coverage for the current month. Premium deduction requirements following an employee’s date of hire are outlined in the table below.

Status	Date of Hire	Coverage Effective	Premiums must be deducted for:
Regular	March 1 <sup>st</sup>	March 1 <sup>st</sup>	March and April coverage
Regular	March 2 <sup>nd</sup> – 31 <sup>st</sup>	March 2 <sup>nd</sup> – 31 <sup>st</sup>	April coverage
Casual	March 1 <sup>st</sup>	September 1 <sup>st</sup>	September and October coverage
Casual	March 2 <sup>nd</sup> – 31 <sup>st</sup>	October 1 <sup>st</sup>	October coverage

### Termination of Coverage

**General**

If employment is terminated, coverage ends on the date of termination, unless a severance policy states otherwise. With the exception of Voluntary AD&D, premiums paid in advance will be refunded if they have been deducted in the month employment is terminated.

Employees who have been terminated and subsequently re-hired within 6 months of termination and meet the eligibility requirements may immediately have their coverage reinstated upon return to work. This means that the employee will not have to wait another 6 months before being eligible for coverage. The same principles would apply for premium deductions as the examples in the table above.

**Retirement**

Since Health and Dental premiums are deducted 1-month in advance, coverage under the Active Plans normally continues until the end of the month following retirement. Coverage under the Retiree Plan would then commence on the first day of the following month.

For example: If an employee retires in June, coverage under the Active Plans would normally continue until July 31<sup>st</sup>. Deductions from the retiree’s bank account or pension cheque would commence in July and coverage under the Retiree Plans would commence on August 1<sup>st</sup>.

## Continuation of Coverage and Benefit Reactivation

### Lay-off

Employees who have been laid-off may have the option to continue their Group Life, AD&D, and Health & Dental coverage. Extension of coverage may continue as specified under the applicable collective agreement, or for up to 12 months for non-bargaining employees if specified in their lay-off letter. Employees may be required to pay 100% of premiums during this period.

- If coverage is **discontinued**, the employer must terminate benefits on the first day of the lay-off.
- If coverage is **continued**, the employee and employer must complete a *Continuation of Employee Benefits Coverage Form* and submit to Vestcor, alongside premium payments.

### Approved Leave of Absence

Employees who are approved for a leave of absence with full or partial pay will remain covered for all benefits and employer cost sharing arrangements will continue for the duration of the leave.

For employees who have been approved for a leave without pay, the employee and employer must complete a *Continuation of Employee Benefits Coverage Form* and submit to Vestcor. Note that the employee must sign, date, and initial their options on the form, whether or not coverage is continued.

- If the employee chooses to **discontinue** coverage, the employer must suspend benefits at the day the leave commenced.
- If the employee chooses to **continue** coverage, the employee must submit premium payments to Vestcor.

**Premium payments can be made via post-dated cheques or money orders (made payable to the Minister of Finance) and must be received by Vestcor within 60 days of the leave commencing. Otherwise coverage will be terminated and only reinstated upon the employee's returns to work. Retroactive payments will not be accepted.**

## Benefit Reactivation

Coverage for all benefits that the employee had prior to their leave of absence must be reactivated by the employer upon returns to work, regardless of whether or not the employee discontinued coverage during their leave.

## Waiver of Premium Contributions

To be eligible for Waiver of Premium (WOP) benefits, employees must continue to pay premiums during the 4-month qualifying period. If premiums have not been paid during the qualifying period, the employee has effectively waived their right to WOP benefits. Note that employees may use approved leave with full or partial pay during the qualifying period, however WOP benefits will not be payable until all salary payments cease.

For more information, contact Vestcor's Member Services team at (506) 453-2296 or toll free 1-800-561-4012.