

LTD Benefits At A Glance

Spring 2017

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PLAN YEAR REVIEW (JULY 1, 2015 TO JUNE 30, 2016)

ACTUARIAL REPORT AS OF JUNE 30TH, 2016

Each year the Plan's Actuary reports the financial position to the Committee for Long Term Disability (LTD) and looks to the Plan's Funding Policy to determine next steps. As defined in the Funding Policy, if the Plan is in a surplus position benefit improvements can be considered. If the liabilities exceed the projected funding levels, rate increases are considered. The most recent review by the Committee was for the plan year ending June 30, 2016.

With lower returns on investments and an increase in liabilities due to a higher number of approved claims, increases in monthly benefit amounts and the longer duration of claims, a rate increase is required. The Committee and Actuary agreed it is prudent to increase the monthly rates to ensure that the funding level will be sufficient to pay the promised benefits.

PREMIUMS

\$15.3 MILLION

Collected from members via payroll deductions and other sources.



BENEFITS PAID & PLAN EXPENSES

\$17.4 MILLION

\$15.2 M paid benefits
\$2.2 M for claim related charges, administration, investment fees and other services.



NUMBER OF CLAIMS

730

Employees are receiving a monthly LTD benefit.



RATE INCREASES REQUIRED

The number of claims for the General Group has been steadily increasing and this trend has continued into the current year. The number of claims for Nurses and CUPE in particular has been significantly higher during the past few years and more noticeably in the current year. The rate increases below reflect the difference in claims experience for each group.

During the month of July 2017, there will be a change in your payroll deductions as a result of the increase in LTD rates. The example below is assuming a net monthly benefit of \$2,500:

PLAN MEMBERS – 19,724

The LTD plan has three groups of participants that are defined by their group characteristics (e.g., occupation, risk profile, etc.):

- ❖ **GENERAL GROUP** – Employees in Government Departments, Agencies, School Districts, Hospitals, Crown Corporations and Commissions
- ❖ **NURSES** – Registered Nurses in Hospitals and Nursing Homes.
- ❖ **CUPE** – Government Departments (LOCAL 1251), Community Colleges (Locals 5026 & 5017), and others through Transfer Agreements.

Division	Net Monthly Benefit	June rate per \$100 benefit	Monthly Payroll Deduction	July rate per \$100 benefit	Monthly Payroll Deduction	Monthly Increase
General Group	\$2,500.00	\$1.84	\$46.00	\$1.88	\$47.00	\$1.00
Nurses	\$2,500.00	\$3.20	\$80.00	\$3.61	\$90.25	\$10.25
CUPE 1251	\$2,500.00	\$2.64	\$66.00	\$2.85	\$71.25	\$5.25

For more information on any of these benefits contact a Pensions and Benefits Specialist at 1-800-561-4012 (toll free in Canada) or 506-453-2296 or you can visit our website at www.gnb.ca/employeebenefits.

Total Compensation and Benefits