

This Fact Sheet describes when an employee's Group Insured Benefit coverage and premium contributions begin via payroll deduction, and when they terminate. It also provides details regarding 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**

Generally, coverage for the insured benefits begin on the 1<sup>st</sup> day of active employment, with the exception of casual employees, who are eligible to participate the first of the month following 6 months of continuous employment. If an employment contract or collective agreement state otherwise, the employment contract or collective agreement provisions will apply.

### **Premium Deductions**

Premiums for all insurances provide for coverage for the following month, except for Voluntary AD&D, which provides coverage for the current month. The table below illustrates the premium deduction requirements following an employee's date of hire.

<b>Status</b>	<b>Date of Hire</b>	<b>Coverage Effective</b>	<b>Premiums must be deducted for:</b>
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, all other premiums paid in advance should 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 are eligible for coverage immediately upon return to work. This means 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 above.

**Retirement**

Since payments for Health Care coverage are deducted in advance, coverage under the Active Plan normally continues for one month after an employee retires. Coverage under the Retiree Plan would commence on the first of the second month following the employee's retirement date.

For example: If an employee retires in June, active coverage would normally continue until July 31<sup>st</sup>. Deductions from the retiree's pension cheque or bank account would commence in July and coverage with the retiree plan would be effective August 1<sup>st</sup>.

**Continuation of Coverage and Benefit Reactivation**

**Lay-off**

Employees who are in a lay-off situation may have the option to continue their coverage under the Group Life, Accidental Death & Dismemberment, and Health & Dental Programs. 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 lay-off letter. Employees may be required to pay 100% of premium costs 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 *Continuation of Non-Pension Benefit Coverage – Leave of Absence Without Pay / Lay off* form must be completed and the premiums remitted to VPSC.

**Approved Leave of Absence**

Employees, who are granted an approved 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.

As soon as the employee has been approved for a leave without pay the employee must complete the *Continuation of Non-Pension Benefit Coverage – Leave of Absence Without Pay / Lay off* form and submit to Vestcor Pension Services Corporation. NOTE: The employee must sign, date & 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 end of the month for which premiums have been paid prior to the commencement of the leave.
- If the employee chooses to **continue** coverage, the employer must obtain post-dated cheques or money orders (made payable to the Minister of Finance) from the employee, and submit to the Vestcor Pension Services Corporation along with the completed *Continuation of Non-Pension Benefit Coverage – Leave of Absence Without Pay / Lay off* form.

**It is critical that premium payments are submitted to Vestcor Pension Services Corporation within 60 days of the leave commencing, otherwise coverage could be terminated and would not be reinstated until the employee returns to work. Retroactive payments will not be accepted.**

**Benefit Reactivation**

Coverage for all insured benefits that the employee had prior to his/her leave of absence, must be automatically reactivated when he/she returns to work, regardless of whether or not he/she discontinued coverage during the leave of absence.

**Waiver of Premium Contributions**

Waiver of Premium (WOP) benefits are available to employees who have been approved as 'Totally Disabled' according to the LTD and/or WOP provisions, provided premiums have been submitted during the 4-month qualification period. If premiums have not been paid the employee has effectively waived his/her right to the WOP benefits.

It is important to note that employees who are receiving full or partial pay from their employer are not eligible for WOP benefits until all salary payments cease.

For more information, contact a Pensions and Benefits Specialist at Vestcor Pension Services Corporation at (506) 453-2296 or 1-800-561-4012 (toll-free number).