

LTD BENEFITS

AT-A-GLANCE

APRIL 2023



RATE INCREASE

Claims were similar in 2021-2022 to the previous year, however the cost of claims has increased due to employees staying on LTD longer than expected. For the last six years, paid claims have been greater than the contributions. The amount of money that must be set aside to pay future claim obligations (liabilities) is exceeding the value of the plan funds (assets). Consequently, a rate increase is required for all three groups.

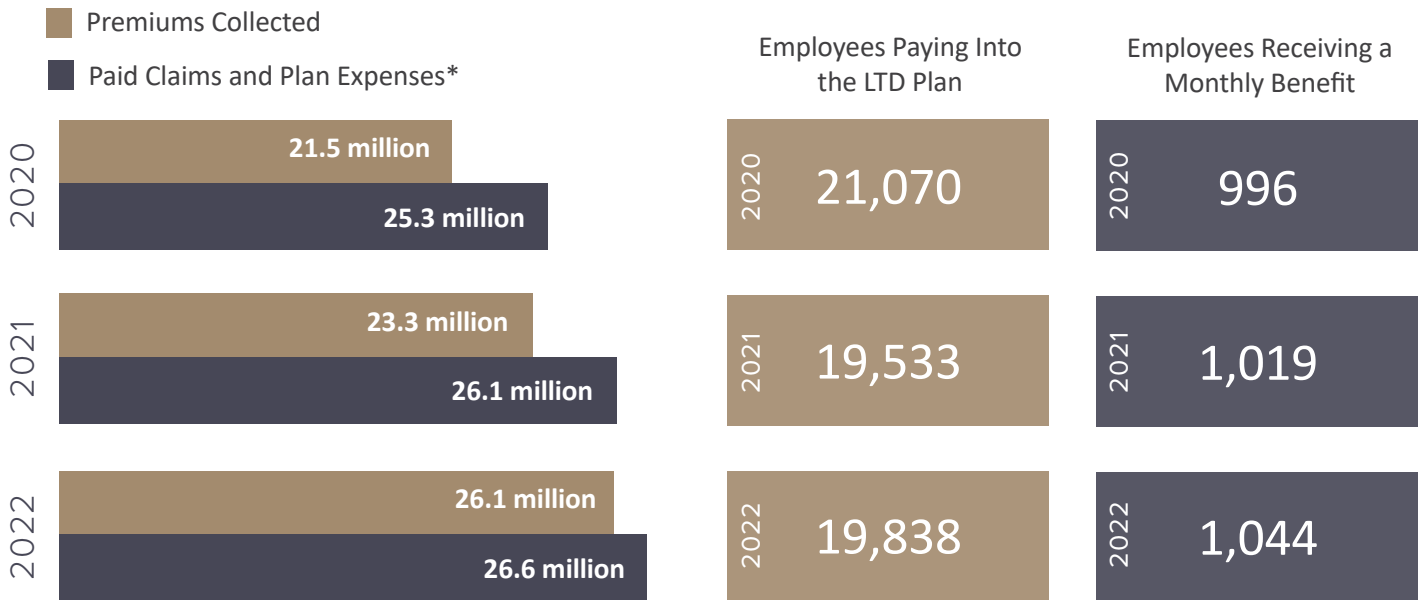
The Committee for LTD works with the Plan Actuary, Investment Consultant, and other key stakeholders to determine required rates. The Committee continuously evaluates the plan options to ensure that the plan is managed effectively and efficiently to provide the promised benefits.

During the month of May 2023, there will be a change in your premium deductions as a result of the increase in LTD rates. The rate increases below reflect the difference in claims experience for each group. The following example is based on an annual salary of \$60,000 and a net monthly LTD benefit of \$2,725.

	Net Monthly Benefit	April rate per \$100 benefit	Old Monthly Deduction	May rate per \$100 benefit	New Monthly Deduction	Monthly Increase
General	\$2,725.00	\$2.95	\$80.39	\$3.59	\$97.82	\$17.43
Nurses	\$2,725.00	\$6.14	\$167.32	\$6.84	\$186.39	\$19.07
CUPE 1251	\$2,725.00	\$5.81	\$158.32	\$6.98	\$190.20	\$31.89

PLAN REVIEW

JULY 1, 2020 TO JUNE 30, 2022



*Plan expenses include claim related charges, administration, investment fees and other services.

PRIMARY DIAGNOSIS

1. Mental Disorders	37%
2. Neoplasms (cancer)	28%
3. Musculoskeletal	20%

Claims attributable to mental health continue to be the top diagnosis for approved claims.

The top diagnosis has been consistent year after year.

PLAN FACTS

LTD coverage provides a source of income should you be unable to work for more than 4-months due to illness or injury.

The LTD Plan is funded by employees. Employees pay 100% of the LTD premiums. This ensures that the LTD benefits, when received, are non-taxable.

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

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

DID YOU KNOW?

- Homewood Health is available 24/7 ([1-800-663-1142](tel:1-800-663-1142) or online at homeweb.ca).
- All LTD claims related expenses are covered by the plan such as physiotherapy, occupational therapy, and psychotherapy.

For more information on this benefit, contact the Member Services Team at Vestcor, our Plan's Administrator, at 1-800-561-4012 or 506-453-2296, or visit www.gnb.ca/employeebenefits.