

From the Masthead



Mainstay Insurance Brokerage Inc. Phone: (905)886-9203

Share This with Your Employees BEFORE They Travel

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...

...you can call us if you need help with your plan? Your HR contact or plan administrator are always good resources, and you can always call the 1-800-number of the insurance company in your booklet or on our [website](http://www.mainstayinsurance.ca) for assistance.

But if you have an unusual question around insurance, we are here. Maybe it's about a kid away at school, a family member visiting from over-seas, or you need help finding an advisor to assist with life insurance or maybe home and auto coverage.

We don't sell any of these other insurance products (we only do group benefits) but we can connect you with people that do.

Call: 1-905-886-9203

At your annual renewal meeting we review issues related to emergency medical travel coverage in order to ensure our clients are educated and aware of limitations that may exist in their group coverage.

Most important is the definition of **emergency** travel coverage. Many insurers define it as "an accident or injury or an **unforeseen illness** that **begins** while the insured is traveling". Plans also state that "any illness previously diagnosed or treated in Canada may not be covered".

Most travel coverage also includes a stability clause that excludes coverage for any medical issues that have changed or been treated in the 30 to 90 days before the date of travel.

WHAT DOES THIS REALLY MEAN?

These definitions may mean that you are **NOT** covered when you travel out of Canada if:

- You are in a high-risk pregnancy or beyond your 32nd -35th week of pregnancy
- You have recently had or are scheduled to have surgery or treatment for a medical condition
- It has been suggested that you have, are scheduled for or are awaiting a test, or test results
- Your physician would say

or has said that you are not medically stable or safe to travel

- You have had recent changes to medication, or it has been recommended that you do so; or it is recommended that you start on a new medication or treatment even a change in dosage for the same medication could qualify as such a change.

It is important to note that you may still be covered for other illnesses or injuries that are **NOT** in any way related to your pre-existing condition.

Another issue that can be problematic with a travel claim is the requirement to contact the carrier **immediately** when treatment is required. This is a key requirement, as many plans will **NOT** pay if not immediately notified of a medical issue.

When an individual seeks medical attention in a foreign country (including the US) they typically provide their insurance information and are assured that the hospital will "take care of everything". This **DOES NOT** mean that the hospital will contact the insurer on your behalf. In fact, the hospital may intentionally NOT contact the insurer in an effort to run additional tests that may not otherwise be approved. Some insurers

specifically state that they will not pay for any PET/CAT, or MRI's unless they are pre-authorized for this very reason. Some insurers will also not pay a claim for an emergency incurred in a country or region for which the Canadian government has issued either an "avoid non-essential travel" or "avoid all travel" warning.

What can you do to ensure that you have proper medical coverage in place when you travel?

1. Ensure you are in good, stable health and are not traveling against doctor's orders.
2. Take your OHIP card, travel insurance card and plan brochure with you when you travel.
3. Call the insurer the moment an event arises. Do not wait for a hospital or clinic to do so.
4. Check the website <http://www.voyage.qc.ca/>

In our annual renewal package, we include brochures describing your travel coverage, and how to access it, and general claim information including plan limitations. If you would like a pdf copy sent to you please e-mail us at: dave@mainstayinsurance.ca



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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...

... 2020 is looking like an interesting year. We have national pharmacare looming, higher than average dental rates expected in Ontario, a few blockbuster drugs in the pipeline and a number of tech advances in medical equipment that will all be drivers of potential increased costs.

Make sure you take a peek at our blog posts to stay current with these changes.

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.

Employee and Benefit Terminations

We have seen a number of employers write termination letters that could put them at risk. As a result, we thought we'd do a quick refresher on the termination of benefits.

Rule #1 Benefits terminate with employment on the date a person quits/ resigns their position. This premium is charged for the month in most cases, but coverage ceases on the last day worked.

Rule #2 You must extend ALL benefits through the statutory/legislated notice or pay in lieu of notice (PILON)

period. This is the one week/year of service to 8 week maximum required by law.

Rule #3 Any request to extend benefits past the PILON point (**#2**) MUST be approved by the insurer before offering the extension. In most cases there will be no LTD coverage offered (and quite possibly no travel).

In most cases you must pay the PILON payment within 7 business days of termination and cannot

withhold the payment to an employee. You may ask for a release when exceeding this payment and making a severance offer beyond the PILON.

This release should acknowledge that in exchange for the additional payment the employee understands that benefits will cease at the end of the legislated notice period.

Speak to an employment lawyer with terminations, especially if it's your first time.

Are you cost sharing with staff? Learn about Box 85

Do you share the cost of your benefit plan (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 information comes directly 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."

Employer paid 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 information on to your payroll firm or accounting department.

Taxable benefit reporting on T-4's

As we enter tax season, a reminder that there are some benefits that must be shown on an employee's T-4.

Life, AD&D, Dependent life, Critical Illness and Long-Term Disability (LTD)

premiums that are employer paid must be shown as taxable benefits. If an employee pays the costs, this is a not an issue. In the case of Quebec staff, all employer paid premiums

are taxable benefits and must be reported (even health and dental).

Questions? Check with your accountant or give us a call.