



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

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.

Did you know that...

...travel insurance is evolving?

Travel insurance plans are starting to appear with both COVID vaccinated, and non-vaccinated wordings. Other plans are changing contract wordings such that not being vaccinated could mean your coverage is diminished or removed all together.

If you are not covered by a group benefit plan and are considering purchasing travel coverage, please make sure you are purchasing the product best suited to your situation.

Need help finding a form, phone number, or just help in general, please do not hesitate to call us at: 1-905-886-9203

or send us an e-mail at:
Dave@mainstayinsurance.ca

Update your Beneficiary Designation

You should review your beneficiary designations regularly and notify your plan administrator of any personal changes that might affect your benefit coverage.

Typically, these include status changes such as marriage, common law or same sex partners who are cohabitating, the birth or adoption of a child, changes in spousal coverage, a separation or divorce, or the loss of a spouse. If such changes are occurring in your life it may be a good time to review your coverage and beneficiary designation.

If you do NOT have the correct beneficiary designation identified, your life insurance proceeds will

be directed to your estate. This is a less than advantageous option as the insurance proceeds may be used to pay final estate costs and taxes rather than be distributed as you had expected or desired.

In the case of minor children, a trustee should ALWAYS be listed. If one is not included then the insurer will hold the life insurance proceeds until the child reaches the age of majority when the funds can legally be paid out. This may result in a financial hardship for those raising the child. You should always consult a lawyer experienced in wills and

estate planning to review these issues. It makes sense to have a will prepared (or updated) at the same time you are revising your beneficiary information. By doing so, you can ensure that your wishes are carried out upon your death and that there is no confusion as to who should receive what.

If you need to make a Change to your personal information, you can get the form from your plan administrator or directly from the insurer's website. The change of beneficiary form must be completed and signed and then submitted to the insurer.

Ensure your information (and dependants) is up to date

You, as an employee, have a responsibility to keep your employer up to date on status changes that can affect your employee benefit plan. Most plans require that such changes be updated within 31 days of the change taking effect.

If you have a child attending post-secondary school full time or out of the country, or if your child is over age 21, there is special information that must be provided to the insurer in order to maintain or obtain benefit coverage. In addition to family changes, modifications in your spouses benefit coverage (such as the addition or loss of

coverage) must be reported to your insurer as it can affect the way your claims are (or are not) paid.

It is important that all personal information is kept current so that your dependants are eligible for appropriate benefit coverage. Failing to make a timely status change can result in late enrolment penalties which may require you and/or your dependants to complete health questionnaires and risk having coverage declined.

Most carriers also have a late enrolment limit on dental care if you do not make changes in a timely fashion. This usually limits an employee and their dependants to a maximum of \$125 for dental care during the first year of coverage. This limitation could be a financial hardship if a family required even minimal dental work during that timeframe. If your information is not correct, or if you are anticipating a change in status, please contact your plan administrator immediately.



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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 plus any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

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...

...here's a family update. My son Mitch is now 20 years old and in 3rd year of business at Laurier. Matt is 29, teaching in Vienna, Austria for another year and getting married in Verona, Italy in June 2022.

We will moving the home/office from Markham to Lake Scugog in the new year. Nothing is expected to change for clients, but we are looking forward to "lake life" and living on the water.

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 that contribution amount on their annual tax return. Please note that employee paid life and LTD benefits do **not** qualify.

The portion deducted from employees should be reported annually in box 85 on your employees T4.

The following 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 (unless employees live/work in Quebec

More information is available on the CRA site at; <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/hlth/prvt-eng.html>

Selling Benefits – Lessons Learned, Voyages Travelled, Stories Shared

A year ago, I finished one of my many personal projects, by writing and publishing my first book. Between October 2020 and February 2021, the book was released by FriesenPress, Amazon, Google, Apple, and then I did an Audible version that can be listened to in about 3 & 1/2 hours. If you'd like a softcover, copy please drop

me a note and I'll courier one over. I also have Audible free codes and pdf versions that you can push to your kindle or read on iPad, computers etc. If you are interested.

Don't worry, it's not all insurance, and is really more about managing relationships. It is focused

on the 20 things I learned in 25 years that I wished I'd learned in year one.



My crystal ball is hazy, and my aim may be off...

Each year we renew your plan and look back on claims in the past year, and use that history to project forward. My "crystal ball" usually allows me to predict future claims (and rates) based on things like the dental association fee guide adjustments, new drugs coming to market and drug trend pricing etc.

This year it is all over the place. Some employers are seeing dental at double the

normal rates, others are seeing paramedical coverage go through the roof, while others are seeing big upswings in drug usage. All this is making it hard to predict and plan in these interesting times.

I have seen the average plan rate change in 2021 come in at an even "zero", no change over last year.

This was a bit better than in 2020 which saw an average increase of 2.2%. I am anticipating costs to continue to rise as people get back to treatments, combined with rising provider costs and more services being used more often.

My best guess is that 2022 will see an average 5% increase. Time will tell.