

Group Insurance Benefits Program

- an update for YTA members -

Bulletin 05-01

November 2005

Effective May 1, 2005, premium rates have changed for Extended Health Care, Dental, Basic Life and Long Term Disability (LTD) insurance plans.

In early May 2005, the Joint Management Committee (JMC) determined the changes to premium rates for some group insurance benefit plans. The changes are retroactive to May 1, 2005 and affect both the employer and employee contributions. Our benefits program is with Sun Life Assurance Company of Canada.

You may have noticed some new premium rates on your October pays. Adjustments to the rates for the five months from May to September will appear on your pay after the October pays have been processed.

Extended Health Care premium changes for YTA members:

With an overall increase of 6.5 percent and a cost-sharing split of 25 percent paid by YTA members and 75 percent paid by the employer :

- The employee monthly cost for “single” coverage goes from \$12.20 to \$12.99 (an increase of 79 cents); for “family coverage”, the increase is from \$21.40 to \$22.78 (a difference of \$1.38 cents).
- The employer cost for employees who have “single” coverage increases from \$36.61 to \$38.98 per month; for “family” coverage, the employer cost increases from \$64.20 to \$68.36.
- This means that the total monthly premium rate for “single” coverage increases from \$48.81 to \$51.97 and for “family” coverage it increases from \$85.60 to \$91.14 (25 percent employee paid/75 percent employer paid).

group (re extended health)	level	employee cost (25%)		employer cost (75%)		total premium rate (100%)	
		Old Rate	New Rate	Old Rate	New Rate	Old Rate	New Rate
YTA members	Single	\$12.20	\$12.99	\$36.61	\$38.98	\$48.81	\$51.97
	Family	\$21.40	\$22.78	\$64.20	\$68.36	\$85.60	\$91.14

**Dental Plan premium changes
for YTA members:**

With an increase of 4.2 percent and a cost-sharing split of 15 percent paid by employees and 85 percent paid by the employer :

- The employee monthly cost for “single” coverage goes from \$2.92 to \$3.04 (an increase of 12 cents); for “family coverage”, the increase is from \$9.27 to \$9.65 (a difference of 38 cents).
- The employer cost for employees who have “single” coverage increases from \$16.56 to \$17.26 per month; for “family” coverage, the employer cost increases from \$52.50 to \$54.71.
- This means that the total monthly premium rate for “single” coverage increases from \$19.48 to \$20.30 and for “family” coverage it increases from \$61.77 to \$64.36 (15 percent employee paid/85 percent employer paid).

group (re dental)	level	employee cost (15%)		employer cost (85%)		total premium rate (100%)	
		Old Rate	New Rate	Old Rate	New Rate	Old Rate	New Rate
YTA members	Single	\$2.92	\$3.04	\$16.56	\$17.26	\$19.48	\$20.30
	Family	\$9.27	\$9.65	\$52.50	\$54.71	\$61.77	\$64.36

**Basic Life Insurance changes
for YTA members:**

YTA members pay 42.5 percent of the Basic Life Insurance total premium rate and the employer pays 57.5 percent.

The structure of the premium rate calculation for Basic Life Insurance has changed so that there will be one flat rate for all employee groups. The overall monthly premium rate will decrease by nine percent for all groups combined and .5 percent for the YTA members specifically.

The combined result of these two changes for the Basic Life rate means a change from the current rate of .20/\$1000 of benefit to .199/\$1000 of benefit. This is a decrease .001/\$1000 of benefit.

Basic Life Insurance covers YTA members for two times your annual salary. When you are looking at the premium rate for Basic Life insurance, the only relevant factor for the YTA members is your annual salary rounded to the nearest \$1000 multiplied by two.

For example, if your annual salary is \$69,800, you have \$140,000 of Basic Life Insurance coverage (\$70,000 X 2). The total monthly premium paid will change from \$28.00 (((\$140,000/\$1000) X .20) to \$27.86 (((\$140,000/\$1000) X .199). In this case, the total change is a decrease of 14 cents (six cents a month for the employee portion *in this example*).

Long Term Disability changes
for YTA members:

YTA members pay 25 percent of the total premium for Long Term Disability Insurance. The employer pays 75 percent. The effect of the current premium change is a decrease from \$0.38/\$1000 to \$0.33/\$1000 (or a decrease of \$0.05 per \$1000 of annual salary).

Long Term Disability is now based on a blended/common rate for all groups of employees. What this means is that the total premium rate per \$1000 of annual salary will be the same for every employee group, at 1.33 per \$1000 (a change from the current \$1.51 per \$1000 for YTA members). This is a decrease of 18 cents per \$1000 annual salary.

The relevant factor for determining the premium for Long Term Disability Insurance is your annual salary, rounded to the next highest \$250, if not already a multiple of \$250.

On an annual salary of \$69,800 the Long Term Disability premium calculation is based on adjusted annual earnings of \$70,000 (\$69,800 rounded to the next highest \$250). The total monthly premium will go from \$105.70(($\$70,000 / \1000) X 1.51) to \$93.10 (($\$70,000 / \1000) X 1.33), a decrease of \$12.60.

With the 25:75 split of employee:employer contributions, the employee portion of the premium *in this example* would go from \$26.60 to \$23.10, a decrease of \$3.50 per month.

**If you have questions about
your Benefits Plan:**

If you want more information about a decision made by Sun Life about an extended health or dental plan claim, or if you want to know the status of a claim, contact Sun Life Claim's Department at 1-800-361-6212 (toll free).

The Yukon government policy number is 25515. The person you speak to will need this number as well as your employee/certificate number when you call. Have this information on hand.

If you have questions about eligibility of dependents, if you have problems with your pay direct drug card or if you have other questions that Sun Life cannot answer, contact Kim Ponsioen your Pay and Benefits Coordinator in the Public Service Commission, Employee Compensation Branch. Her phone number is 867-667-8149.

**Your Joint Management
Committee (JMC):**

The JMC reviews the financial status of our group insurance benefits program to determine rate adjustments, general changes in plan design, etc.

The Joint Management Committee includes representatives from the Management, Confidentials, YTA and YGEU employee groups, as well as two representatives nominated by the Public Service Commissioner and one representative nominated by the Deputy Minister of Finance. JMC representatives are:

- Eric Magnuson (Management);
- Allan Koprowsky (Confidentials);
- Paul Nordahl (YTA); and
- Diane Anderson (YGEU).

