

Colleges of Applied Arts and Technology
GROUP INSURANCE BENEFITS COMMUNIQUÉ
IMPORTANT INFORMATION FOR SUPPORT STAFF EMPLOYEES

Effective January 1, 2015

OPTIONAL EMPLOYEE LIFE INSURANCE

With the ratification of the new collective agreement, we are pleased to inform you that the parties agreed to provide access to additional life insurance coverage for eligible employees. The highlights of this new benefit are outlined below.

Introduction

Effective January 1, 2015, employees have access to an additional amount of Life Insurance of up to \$50,000 subject to eligibility requirements. This coverage is available only in units of \$10,000 to a maximum of \$50,000 (5 units). With this additional coverage the maximum Life Insurance coverage available to employees is \$125,000 which includes Basic Life (\$25,000), Supplemental Life (\$50,000) and Optional Employee Life Insurance (\$50,000).

How do I increase my Life Insurance coverage

To increase your Life Insurance coverage you will be required to submit proof of good health via a "Health Questionnaire" form obtained from your College's Benefits Administrator. Once you have completed the Health Questionnaire form, you mail it directly to Sun Life for processing. In the event Sun Life requires additional information you will be contacted directly by Sun Life. Exception: If you apply to increase your Life Insurance coverage within 31 days of the date your marital status changes or the date you acquire a Dependent or an additional Dependent, proof of good health is not required. To access coverage under the new Optional Employee Life Insurance, you must first be covered for the maximum amount of Supplemental Life Insurance of \$50,000.

When will the additional coverage take effect

The additional coverage will take effect once Sun Life approves your application. However, if you are not working full-time when Sun Life approves your application or you are not working full-time when the benefit comes into effect, the increase in coverage cannot take effect before you return to active full-time work.

What is the cost of Optional Employee Life Insurance

As an eligible employee, Optional Employee Life Insurance is available to you at affordable group rates. Keep in mind premiums are calculated using rates that are age-banded. They will increase on the first of the month following your birthday as you move into the next age band. Rates are subject to applicable provincial tax. Rates are reviewed annually, and subject to change. For your convenience, the monthly cost will be automatically deducted from your pay.

The following table shows the monthly premium (excluding provincial tax) per \$1,000 and \$10,000 insurance.

Optional Employee Life Insurance		
Age Band	Table 1	Table 2
	Monthly premium per \$1,000 coverage	Monthly premium per \$10,000 coverage
Under 34 years of age	\$0.057	\$0.57
35 - 39	\$0.079	\$0.79
40 - 44	\$0.109	\$1.09
45 - 49	\$0.164	\$1.64
50 - 54	\$0.285	\$2.85
55 - 59	\$0.562	\$5.62
60 - 64	\$0.895	\$8.95

How to calculate your premium

Example: age 38	
1. Determine the amount of coverage you want	\$50,000
2. Express it as units per \$10,000 of coverage	$\$50,000 / \$10,000 = 5 \text{ units}$
3. Locate the premium rate on Table 2 based on your age	\$0.79
4. Multiply the units of coverage by your premium rate and obtain your monthly premium	$5 \text{ units} \times \$0.79 = \3.95
5. Calculate provincial tax (Ontario 8%)	$\$3.95 \times 8\% = \0.32
6. Add monthly premium and provincial tax to obtain your monthly cost	$\$3.95 + \$0.32 = \$4.27$

How long can I keep this coverage

You may keep this coverage until the end of the month in which you turn age 65 as long as you continue to be an eligible full time employee of the college and you continue to pay the required monthly cost. You may discontinue this coverage at any time by contacting your College's Benefits Administrator and completing the required form.

What happens if my coverage terminates

If your Life Insurance terminates as a result of your employment terminating or reduces as a result of changes in your coverage that are age-related, you may convert your Life Insurance coverage to an individual Life policy with Sun Life without providing proof of good health. The College will provide you with the necessary conversion document and instructions.