

Welcome to your retirement

Before going on a trip, we often make a checklist: hold the newspaper delivery, have a neighbour pick up the mail and water the plants, leave the cat or dog with a friend, and so on.

The same principle applies for retirement, especially when it comes to benefits. There are a number of decisions you need to make regarding retiree benefits under the Public Sector Group Insurance Plan (PSGIP). For your convenience, we have prepared the following benefits decision guide and checklist for you to review as you prepare your journey to a new and exciting phase of your life. This guide includes:

- Your retiree benefit options at-a-glance
- What's different – active vs. retiree coverage
- Choosing your healthcare options
- Deciding on life and accident insurance
- Your retiree checklist

This guide comes with the form you'll need to complete to make your PSGIP retiree benefit choices for you and your family. Please read these documents carefully and contact Johnson Inc. if you have any questions.

This PSGIP guide simply gives you an overview of what you need to consider and do related to your benefits before you retire. Please make sure you fully understand the terms of the PSGIP retirement options before making any final decisions. We invite you to consult the PSGIP retiree section at www.mybenefitplan.ca for details about the coverage available at retirement.

Who to contact

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What you need to do

- Read this guide to understand your benefit options
- Choose your coverage for health care and dental care
- Decide if you want travel coverage
- Consider converting your life and accident insurance to individual policies
- Decide if you want to continue your life and accident coverage under the PSGIP
- Complete and return all forms
- Enjoy your retirement!

Craig MacKenzie
Chair, PSGIP Trustees

Your Retiree Benefit Options At-A-Glance



The following at-a-glance summary briefly describes the options available to you during retirement, provided you currently have coverage as an active employee. See your *Retiree Benefits Rate Sheet* for the premium costs. You may also choose to opt out of PSGIP coverage; but before you decide, please review all the information provided in this guide.

Health

Supplements your provincial health coverage

	Option 1	Option 2	Option 3	Option 4
Cost sharing	100% paid by you			
Reimbursement*				
<ul style="list-style-type: none"> Prescription drugs (generic substitution) 	80% of the first \$150 per eligible drug expense, and 100% thereafter (\$500 lifetime maximum per person for vaccines)	You pay an annual** deductible before drug coverage begins: \$200 single \$400 family <hr/> 80% of the first \$150 per eligible drug expense, and 100% thereafter (\$500 lifetime maximum per person for vaccines)	You pay the first \$50 per eligible drug expense, and 100% thereafter (\$500 lifetime maximum per person for vaccines)	Coverage for vaccines only: 80%, to a \$500 lifetime maximum per person
<ul style="list-style-type: none"> Hospital accommodations 	No coverage Options 1, 2 & 3 Ward coverage provided under the provincial plan			100% of the difference between a ward and semi-private room <hr/> 80% of the difference between a semi-private and private room
<ul style="list-style-type: none"> Paramedical practitioners 	80% <ul style="list-style-type: none"> 20-visit maximum per calendar year for physiotherapist \$240 maximum per calendar year for massage therapists and occupational therapists \$12 per visit, to a maximum of 20 visits per practitioner per calendar year for chiroprodists or podiatrists (plus cost of laboratory tests and x-rays), chiropractors and osteopaths 			
<ul style="list-style-type: none"> Eye exams 	80% One eye exam every two calendar years (every calendar year for children under age 18)			
<ul style="list-style-type: none"> Eye glasses or contact lenses 	80% \$80 maximum once every two calendar years (every calendar year for children under age 18)			
<ul style="list-style-type: none"> Private duty nursing 	80% \$8,000 maximum per calendar year			
<ul style="list-style-type: none"> Medical supplies and prosthetics 	80%			

	Option 1	Option 2	Option 3	Option 4
<ul style="list-style-type: none"> ▪ Other eligible expenses 				
<ul style="list-style-type: none"> – Accidental dental 		80%		
		Treatment within 12 months of the accident		
<ul style="list-style-type: none"> – Ambulance services 		100% of the first \$50 of eligible expenses per calendar year, and 80% thereafter		
<ul style="list-style-type: none"> – Hearing aids 		80%		
		\$900 maximum per ear every 5 calendar years		
<ul style="list-style-type: none"> – Orthotics and orthopedic shoes 		80%		
		\$240 combined maximum every 12 consecutive months		
Termination of coverage	Upon your death (surviving dependents can choose to continue coverage) At age 65, drugs covered under the government's Senior's DCAP***, will not be covered under the PSGIP (coverage is available under the Senior's DCAP)			

* Expenses are reimbursed based on Great-West Life's assessment of reasonable and customary fees

** Benefit year is from April 1 to March 31

*** Seniors' DCAP – Drug Cost Assistance Program

Travel

Supplements your provincial health coverage

	Travel
Cost sharing	100% paid by you
Reimbursement	100%
<ul style="list-style-type: none"> ▪ Emergency out-of-province / country health care (must be covered under provincial plan) 	\$1 million maximum per emergency Coverage for the first 180 days of a trip Medical conditions must be stable
<ul style="list-style-type: none"> ▪ Travel assistance 	24/7 services

Travel coverage and stability – what does it mean?

A stable condition refers to any medical condition or related condition (including any heart or lung condition) for which there has been:

- No new treatment or new prescribed medication,
- No change in treatment or change in prescribed medication (including the amount of medication to be taken, how often it is taken, the type of medication or change in treatment frequency or type),
- No new symptoms, more frequent symptoms or more severe symptoms experienced,
- No test result showing a deterioration, and
- No hospitalization or referral to a specialist (made or recommended) or the results of further investigations not yet completed for that medical condition or related condition (including any heart or lung condition).

The travel plan will not pay for any expenses incurred directly or indirectly as a result of:

- Your medical condition or related condition (including any heart or lung condition), if at any time in the six months before you depart on your trip:
 - Your condition or related condition has not been stable,
 - For a heart condition, you have taken nitroglycerin more than once per week specifically for the relief of angina pain, or
 - For a lung condition, you have been treated with home oxygen or taken oral steroids (prednisone or prednisolone).

If you consult your doctor prior to travel, please show your doctor the insurer's definition of a "stable condition".

Dental

Provides coverage for a variety of dental procedures

	Plan A	Plan B
Cost sharing	100% paid by you	
Reimbursement		
<ul style="list-style-type: none"> Basic services (e.g., oral exams, cleaning and scaling of teeth) 	80% Recall examinations once every 5 months	
<ul style="list-style-type: none"> Maintenance services (e.g., fillings, oral surgery and periodontic and endodontic care) 	80%	
<ul style="list-style-type: none"> Major restorative services (e.g., dentures, crowns and bridges) 	No coverage	50% \$500 maximum per year
Dental fee guide	Current year	

Life insurance

Provides financial security if you or a dependent dies

	Basic	Optional
Cost sharing	<ul style="list-style-type: none"> Retiree life benefit – 100% paid by the government Basic dependent life – 100% paid by you 	<ul style="list-style-type: none"> 100% paid by you
Coverage		
<ul style="list-style-type: none"> For you 	\$5,000* Retiree life benefit from government	Amount in effect before retirement (up to \$300,000)
<ul style="list-style-type: none"> For your spouse 	\$4,000 (or \$3,500**)	Amount in effect before retirement (up to \$300,000)
<ul style="list-style-type: none"> For your children 	\$3,500 per child	\$10,000 per child
Termination of coverage		
<ul style="list-style-type: none"> For you 	Your death	First day of the month following your 65th birthday for retirees from Health PEI Age 65 for retirees from the Civil Service
<ul style="list-style-type: none"> For your spouse and children 	First day of the month following your 65th birthday for retirees from Health PEI Lifetime coverage for retirees from the Civil Service	First day of the month following your 65th birthday for retirees from Health PEI Age 65 for retirees from the Civil Service

* For employees who retired at or after age 55 with 10 years of service as a Civil Service employee or two years of service as a Health PEI employee (limited to one benefit payment per individual)

** For permanent, full-time UPSE employees who transferred from the Civil Service to the Health Sector on August 1, 1995, and remained an UPSE employee

Accident insurance

Provides financial security if you or a dependent dies or suffers a severe injury as a result of an accident

	Basic	Optional
Cost sharing	100% paid by your employer	100% paid by you
Coverage		
▪ For you	\$5,000 (for Civil Service retirees only)	Amount in effect before retirement (up to \$300,000)
▪ For your spouse	No coverage	50% of your optional accident coverage (60% if you have no children)
▪ For your children	No coverage	15% of your optional accident coverage if you have a spouse (20% otherwise) \$20,000 maximum per child
Termination of coverage		
▪ For you	Your death	First day of the month following your 65th birthday for retirees from Health PEI Age 65 for retirees from the Civil Service
▪ For your spouse and children	N/A	First day of the month following your 65th birthday for retirees from Health PEI Age 65 for retirees from the Civil Service

Benefit rules during retirement

- Proof of good health is not required to continue coverage when you retire, but to continue health or dental coverage, you must be participating in the plan as an active employee when you retire.
- If you continue travel coverage at retirement, you can opt out at a later date, but you will not be able to rejoin.
- During retirement you will have an annual opportunity to change your health and dental options effective each April 1.
- When you reach age 65, drugs available under the government's Seniors Drug Cost Assistance Program (DCAP) will be covered under that program rather than by the PSGIP.
- If you waive health or dental coverage at retirement, you may re-enrol only within 12 months of retirement, provided you previously had coverage as an active employee. You may not re-enrol at a later date.
 - For health, you and your covered dependents will be required to provide proof of good health, and
 - For dental, you and each covered dependent will be limited to \$100 during the first 12 months of coverage.
- If you waive travel coverage at retirement, you may join the travel plan at any time. Once in the plan, you can subsequently withdraw, but only one time. Once you withdraw, you may not rejoin at a later date.
- If you decide to opt out of health, dental or travel coverage at retirement because you are covered under your spouse's plan and coverage under your spouse's plan ends, you may re-join the PSGIP within 31 days of the termination of that coverage without having to provide proof of good health.

What's different – active vs. retiree coverage?

All active employees have the same PSGIP health coverage. However, at retirement you have four levels of coverage options to choose from. Here is an overview of the main differences between your coverage as an active employee and coverage at retirement.

	Active plan	Retiree plan
Health		
<ul style="list-style-type: none"> Prescription drugs (generic substitution) 	<ul style="list-style-type: none"> 80% of the first \$150 per eligible drug expense, and 100% thereafter 	<ul style="list-style-type: none"> Option 1 – same coverage Option 2 – same coverage, but includes an annual deductible (\$200 or \$400) Option 3 – \$50 per prescription out-of-pocket cost Option 4 – coverage for vaccines only
<ul style="list-style-type: none"> Hospital 	<ul style="list-style-type: none"> 100% of the difference between a ward and semi-private room 80% of the difference between a semi-private and private room 	<ul style="list-style-type: none"> Options 1 to 3 – no coverage Option 4 – same coverage
<ul style="list-style-type: none"> Paramedical practitioners 	<ul style="list-style-type: none"> 80% reimbursement Maximum 20 visits per practitioner (6 for social workers) per calendar year (excluding massage therapists) \$240 maximum per calendar year for massage therapists Combined annual maximum of \$800 per calendar year for the following practitioners: acupuncturists, chiropodists (or podiatrists), chiropractors, clinical psychologists, naturopaths, osteopaths, physiotherapists, social workers, speech therapists 	<ul style="list-style-type: none"> Options 1 to 4 <ul style="list-style-type: none"> – Same reimbursement level – Same per visit maximum – Same coverage for massage therapists – Increase coverage for physiotherapists – Includes coverage for occupational therapists – Smaller list of eligible practitioners and reduce maximum of \$12 per visit for the following practitioners: chiropodists (or podiatrists), chiropractors, osteopaths
<ul style="list-style-type: none"> Vision care (eye glasses and contact lenses) 	<ul style="list-style-type: none"> 80% reimbursement, to a maximum of \$160 every 2 calendar years (every calendar year for children under age 18) 	<ul style="list-style-type: none"> Options 1 to 4 – same reimbursement level; lower maximum – \$80 every 2 calendar years (every calendar year for children under age 18)
<ul style="list-style-type: none"> Orthotics and orthopedic shoes 	<ul style="list-style-type: none"> 80% reimbursement, to a maximum of \$240 per calendar year for orthotics and orthopedic shoes combined 	<ul style="list-style-type: none"> Options 1 to 4 – same coverage
Travel		
<ul style="list-style-type: none"> Trip length 	<ul style="list-style-type: none"> In accordance with coverage under the provincial health plan 	<ul style="list-style-type: none"> Limited to the first 180 days of a trip
<ul style="list-style-type: none"> Emergency coverage 	<ul style="list-style-type: none"> In the event of a sudden, unexpected illness or injury 	<ul style="list-style-type: none"> In the event of a sudden, unexpected illness or injury
Dental		
<ul style="list-style-type: none"> Dental specialist services 	<ul style="list-style-type: none"> Covered under the Dental Specialist Fee Guide 	<ul style="list-style-type: none"> Covered under the general Dental Fee Guide
<ul style="list-style-type: none"> Recall exams 	<ul style="list-style-type: none"> Every calendar year 	<ul style="list-style-type: none"> Increased frequency (every 5 months)
<ul style="list-style-type: none"> Major restoration 	<ul style="list-style-type: none"> \$1,000 annual maximum 	<ul style="list-style-type: none"> Lower annual maximum (\$500)
<ul style="list-style-type: none"> Orthodontics 	<ul style="list-style-type: none"> 50% reimbursement, to a lifetime maximum of \$3,000 	<ul style="list-style-type: none"> Not covered

Choosing your health care option

Things to consider

- What is the general state of your health and your family's health?
- Did you know that dispensing fees vary by pharmacy? For a regular prescription, the dispensing fee can range from about \$8 to \$12. This can increase your out-of-pocket costs.
- If you are age 65 or over, family coverage under Option 2 costs about \$614 less per year than Option 1 (based on April 1, 2016 rates). If you think your annual health care expenses will be greater than this amount, you might want to consider Option 1.
- You can maintain your eligibility for coverage if you elect Option 4, which does not provide drug coverage. If at a later date you wish to have drug coverage, you can change your option (every April 1) to one of the options with drug coverage.
- If you decide not to continue coverage at retirement under the PSGIP retiree health options and you elect to buy an individual health plan, please read the benefit terms of the individual plans carefully as some plans might have annual maximum reimbursement amounts, e.g., reimbursement of only the first \$2,500 of drug expenses. If you wish to be insured under an individual health plan, the insurer will require proof of good health.

Estimate your health care expenses

To help you decide which health option is best for you, follow the steps below to estimate your total annual cost under each option.

Step ①	Estimate your annual health expenses for you and your family.
Step ②	Determine the annual premiums for each option.
Step ③	Calculate the amount you will pay (co-pay/deductible) for your estimated health expenses under each option. Add this amount to your annual premiums.

When determining your level of coverage, don't forget to take into account the various provisions and limitations of the Health Plan. You also need to consider your level of comfort regarding coverage for expenses that cannot be foreseen.

EXAMPLE: Retiree over age 65 with family coverage

Step ① Estimate your annual health expenses for you and your family.

Expense	Description	Calculation		Total cost per year
Prescription drugs	<ul style="list-style-type: none"> – 4 prescriptions per month = 48 per year (2 per retiree, 2 per spouse) – Average cost per prescription = \$30 	48 x \$30	=	\$1,440
Eye glasses	<ul style="list-style-type: none"> – 2 pairs at \$250 each (1 pair for retiree, 1 pair for spouse) 	2 x \$250	=	\$500
Physiotherapy	<ul style="list-style-type: none"> – 6 visits at \$80 per visit 	6 x \$80	=	\$480
		Total	▶	\$2,420

Based on these health expenses, the annual 2016 cost for each of the health options at the family level would be calculated as follows:

	Option 1	Option 2	Option 3	Option 4
Step 2 Annual premium	\$2,781.36	\$2,167.20	\$1,531.56	\$471.72
Step 3 Co-pay/deductible				
– Prescription drugs	\$288	\$608	\$1,440	\$1,440
– Eye glasses	\$340	\$340	\$340	\$340
– Physiotherapy	\$96	\$96	\$96	\$96
Annual out-of-pocket cost	\$3,505.36	\$3,211.20	\$3,407.56	\$2,347.72

Consider your personal situation – it may be similar to the example above, or it could be quite different.

If you estimate your medical expenses for the year and follow these steps you will have a general idea of your total annual cost under each of the options. This will help you decide which option is best for you. In addition, you may also review your personal situation with the plan administrator, Johnson Inc., by phone or in person.

Deciding on life and accident coverage

Life and accident benefit for you

If you retire at or after age 55 with 10 years of service as a Civil Service employee or two years of service as a Health PEI employee you are automatically insured for \$5,000 of retiree life insurance. If you are a Civil Service employee, you also receive \$5,000 of coverage under basic accident insurance.

Conversion option

If you retire before age 65, you have the option to convert your current life and accident coverage to individual policies with the insurers. You will not need to provide proof of good health when you convert and coverage under your individual policy will extend beyond age 65. Conversion must be done **within 31 days** of your retirement.

If you don't convert your coverage, you can choose to maintain your current coverage under the PSGIP, but coverage will end when you reach age 65 or upon your death for most benefits.

Benefits with conversion option (within 31 days of retirement)	
Basic life	✓
Basic dependent life (for spouse)	✓
Basic accident	✓
Optional employee life	✓
Optional spousal life	✓
Optional accident	✓

Maintaining your PSGIP coverage

When you retire you can choose to maintain your current level of life and accident coverage under the PSGIP. All coverage ends when you reach age 65 or upon your death (except for basic dependent life insurance for retirees from Civil Service, which will continue for life).

Maintaining benefits under the PSGIP (at retirement only)	
Basic dependent life	✓
Optional employee life	✓
Optional spousal life (spouse must be under age 65)	✓
Optional child life	✓
Optional accident	✓

Your Retiree Checklist



Checklist

Health, travel and dental

- Choose the health care option that best meets your needs
- Choose the dental care option that best meets your needs
- Decide if you want travel coverage

Life and accident

If you are under age 65, decide if you wish to convert your current coverage (within 31 days of retirement only) to individual policies for:

- Basic life insurance
- Basic life dependent insurance (for spouse)
- Basic accident insurance
- Optional employee life insurance
- Optional spousal life insurance
- Optional accident insurance

Determine if you wish to maintain your current coverage for:

- Basic dependent life insurance (coverage ends at age 65, unless you retired from the Civil Service, then coverage will continue for life)
- Optional employee life insurance (coverage ends at age 65)
- Optional spousal life insurance (coverage ends at age 65)
- Optional child life insurance (coverage ends at age 65)
- Optional accident insurance (coverage ends at age 65)

This guide summarizes the benefits and some provisions of your group insurance plan as of April 1, 2016; it does not include all details, provisions, exclusions and limitations. It does not constitute the group insurance policies and is not a contract of insurance, nor does it create or confer any contractual or other rights. Every effort has been made to ensure that the information is accurate. However, if there is any question as to the interpretation, all rights with respect to an insured person will be governed solely by the official group insurance policies.

Making changes

Advise Johnson Incorporated at 902-628-3537 or 800-371-9516 if ...

- ✓ Your mailing address changes.
- ✓ Your spousal relationship changes.
- ✓ Your dependent's status changes
- ✓ You wish to make a change in your life insurance beneficiary designation.