

Important news about your PSGIP benefits program



December 2018

Change to the Long-Term Disability Plan

Effective January 1, 2019

Your benefits program is an important part of your total compensation package, offering you comprehensive and competitive coverage that protects you and your family throughout your career. In addition to health and dental benefits, the program also includes important financial protection through life and accident insurance, as well as disability plans. **We are pleased to announce an improvement to your long-term disability coverage.**

Background

The Public Sector Group Insurance Plan ("PSGIP") provides long-term disability ("LTD") coverage to approximately 5,300 public sector employees in Prince Edward Island. Virtually all of the covered employees also participate in the Civil Service Superannuation Fund Pension Plan ("Pension Plan").

Effective January 1, 2019, the Pension Plan will move the unreduced retirement age from age 60 to age 62 for pensionable service earned on and after January 1, 2019. Prior to this change to the Pension Plan, the Pension and LTD Plans were aligned on retirement age.

The Parties to the PSGIP Trust voted unanimously to extend the termination age of the LTD Plan to keep it aligned with recent Pension Plan changes. See below for more information.

What's Changing

Extended termination age for your long-term disability plan

Effective January 1, 2019, the termination age for the LTD Plan will be extended from age 60 to age 62 for persons with disabilities commencing on or after that date.

The impact of this LTD Plan design improvement will be reflected in the April 1, 2019 LTD renewal premium rate, which will be cost-shared equally between employees and employers.

Active Employees over age 60

Currently, LTD coverage stops at age 60 and LTD premium payments end at age 60, less the **qualifying period** (which is the later of sick bank and 4 months). With the LTD Plan extension to age 62, active employees between age 60 and 62 will now be covered for LTD.

Members under age 62 who had stopped paying premium due to reaching age 60 will begin premium payments effective January 1, 2019, with coverage ending at age 62. Premium payments will stop at age 62 less the qualifying period. Retroactive premiums are not required and the pre-existing condition exclusion is waived for any employees who are reinstated for LTD coverage due to this change in the termination age.

Have Questions?

For more information about the LTD plan, visit the PSGIP benefits website at mybenefitplan.ca or consult the PSGIP Benefits Booklet. If you have any questions about this change, please contact Johnson Inc:

902-628-3537 – Charlottetown area

1-800-371-9516 – Toll free

8:30 a.m. – 4:30 p.m., Monday to Friday

PEI@johnson.ca

This bulletin provides a summary of some of the provisions of the Long-Term Disability Plan (LTD). The LTD plan is governed by the official insurance contracts. In the event of any inconsistency between this summary and the official documents, the latter will supersede.