

February 2016

2016 Benefits Update for Retirees

Your benefits coverage from the PSGIP plays a key role in your healthcare throughout your retirement years. That is why the PSGIP provides health benefits coverage for you and your family.

The PSGIP Trustees, with consultation from the Retiree Group Advisory Sub-committee, recently completed the annual renewal of your retiree benefits program. Below are the results of the renewal, including two plan enhancements and highlights of the rate changes effective April 1, 2016.

Retiree Group Advisory Sub-committee representatives

Marcel J.G. Arsenault
Doug Dennis
Peggy Gallant
Aubrey MacDonald
Harry MacDonald
George McCabe
Gordon Muncey
Chander Sahajpal
Don Scott
Nancy Smith
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What's new

Occupational therapy coverage	Effective April 1, 2016, the plan will include coverage for occupational therapy, provided the occupational therapist is registered in the province where the service is provided. Coverage: 80% reimbursement, to an annual maximum of \$240 per covered person
Vaccine coverage	Effective April 1, 2016, the plan will also cover Great-West Life's standard vaccine list, which includes coverage for the following vaccines: hepatitis (A & B), influenza, meningitis, chicken pox, shingles, and human papilloma virus (HPV). Coverage: <ul style="list-style-type: none">– Health options 1 to 3 – Reimbursement based on your drug coverage, to a \$500 lifetime maximum per covered person– Health option 4 – 80% reimbursement, to a \$500 lifetime maximum per covered person

2016 rates

Each year we review our benefits program to ensure that contribution rates are adequate to pay expected claims and expenses in the coming benefit year.

As a result of this review, we will see some changes to our Health and Dental rates effective April 1, 2016. These new rates take into account the changes in plan design for occupational therapy and vaccine coverage.

There will be no change to the cost for Travel Insurance, Basic and Optional Life Insurance and Dependent Life Insurance.

Overview of rate changes

Here's an overview of the rate changes effective April 1, 2016:

	Retirees under age 65		Retirees over age 65	
	Your current monthly cost	Your new monthly cost	Your current monthly cost	Your new monthly cost
Health				
Option 1				
– Single	\$137.58	\$151.34	\$100.79	\$108.85
– Family	\$293.00	\$322.30	\$214.61	\$231.78
Option 2				
– Single	\$119.72	\$131.69	\$78.50	\$84.78
– Family	\$257.54	\$283.51	\$167.22	\$180.60
Option 3				
– Single	\$83.21	\$91.53	\$55.48	\$59.92
– Family	\$177.20	\$194.92	\$118.18	\$127.63
Option 4				
– Single	\$16.76	\$18.44	\$16.76	\$18.44
– Family	\$35.74	\$39.31	\$35.74	\$39.31

	All retirees	
	Your current monthly cost	Your new monthly cost
Travel Insurance		
– Single	\$8.85	\$8.85
– Family	\$17.74	\$17.74
Dental		
Plan A – Basic services only		
– Single	\$25.81	\$28.34
– Family	\$58.40	\$64.12
Plan B – Basic and Major services		
– Single	\$30.06	\$33.13
– Family	\$68.01	\$74.95

Making changes to your benefits coverage

Each benefit year, you are eligible to change your level of health and dental coverage, without having to provide medical evidence.

If you would like to change your current Health or Dental Plan option, effective April 1, 2016, complete the enclosed *Coverage Change Request* form and return it to Johnson Incorporated by **March 14, 2016**.

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. For a brief summary of coverage under each Health and Dental option, see the at-a-glance included on page 4 of this notice.

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 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.

More information

For more information about your benefits, visit the PSGIP website at www.mybenefitplan.ca or by consulting the Benefits Summary for Retirees. You can also contact Johnson Inc. for benefits information at 902-628-3537 (or toll-free at 1-800-371-9516) and Great-West Life for questions about claims at 1-800-957-9777.

Benefits information meetings

To learn more about the upcoming benefits and rate changes, attend an information session on February 25th (weather permitting).

Thursday, February 25, 2016
10 a.m. to 12 p.m.

Rodd Charlottetown Hotel
 Provinces Room
 75 Kent Street
 Charlottetown

Thursday, February 25, 2016
2 p.m. to 4 p.m.

Red Shores Summerside
 Oval Room
 55 Greenwood Drive
 Summerside

If there is a storm on February 25th, the meetings will be postponed to Friday, February 26th and an announcement will be made on radio channels CFCY (FM 95.1) and K-Rock (FM 105.5).

Your Retiree Benefit Options At-A-Glance



Health Plan	Option 1	Option 2	Option 3	Option 4
Prescription drugs	80% reimbursement of the first \$150 per eligible drug expense, and 100% reimbursement thereafter (\$500 lifetime maximum per person for vaccines)	You pay an annual* deductible before drug coverage begins: \$200 single \$400 family <hr/> 80% reimbursement of the first \$150 per eligible drug expense, and 100% reimbursement thereafter (\$500 lifetime maximum per person for vaccines)	You pay the first \$50 per eligible drug expense, and 100% reimbursement thereafter (\$500 lifetime maximum per person for vaccines)	Coverage for vaccines only: 80% reimbursement, to a \$500 lifetime maximum per person
Hospitalization	No coverage (Options 1, 2 & 3)			100% reimbursement of the difference between a ward and semi-private room <hr/> 80% reimbursement of the difference between a semi-private and private room
Eye exams	80% reimbursement, for one eye exam once every two calendar years (every calendar year for children under age 18)			
Eye glasses or contact lenses	80% reimbursement, to \$80 once every two calendar years (every calendar year for children under age 18)			
Medical services and supplies	80% reimbursement, to specified annual maximums (includes paramedical services and private nursing care)			
Ambulance services	100% reimbursement of the first \$50 of eligible expenses per calendar year, and 80% reimbursement thereafter			

* April 1 to March 31

Dental Plan	Plan A	Plan B
Coverage	Basic services only	Basic and Major services