

2020 benefits update for retirees

Your benefits coverage from the PSGIP plays a key role in your healthcare throughout your retirement years. That's why the PSGIP carefully manages health benefits coverage for you and your eligible family members.

The PSGIP Trustees, with consultation from the Retiree Advisory Committee, recently completed the annual review and renewal of your retiree benefits program. This notice includes the results of the renewal, including the rate changes effective **April 1, 2020**.

This is your once-a-year opportunity to change your Health or Dental plan option for the next year. Take this opportunity to review your choices and make sure you're enrolled in the right coverage option for you and your family. If you plan to make a change, complete the *Coverage Change Request Form* included with this notice and return it to Johnson Inc. no later than **Monday, March 9, 2020**. Your new coverage takes effect starting **April 1, 2020**.

IMPORTANT DATES

- **Thursday, February 27, 2020**
Benefits information meeting:
 - Charlottetown – 10 a.m.
 - Summerside – 2 p.m.
- **Monday, March 9, 2020**
Coverage Change Request Form due to Johnson Inc. if you want to change your Health or Dental Plan option
- **Wednesday, April 1, 2020**
Your new coverage takes effect

2020 rates

Each year we review the 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, you will see some changes to the Health and Travel rates. See the charts below for the summary of the health, dental and travel rates effective **April 1, 2020**.

	Under age 65			Over age 65		
	Your current monthly cost	Your new monthly cost	Change	Your current monthly cost	Your new monthly cost	Change
Health						
Option 1						
– Single	\$177.06	\$179.72	+\$2.66	\$161.08	\$169.62	+\$8.54
– Family	\$377.08	\$382.74	+\$5.66	\$342.99	\$361.17	+\$18.18
Option 2*						
– Single	\$154.07	\$154.07	\$0.00	\$125.45	\$132.10	+\$6.65
– Family	\$331.69	\$331.69	\$0.00	\$267.26	\$281.42	+\$14.16
Option 3						
– Single	\$107.09	\$108.70	+\$1.61	\$88.67	\$101.97	+\$13.30
– Family	\$228.04	\$231.46	+\$3.42	\$188.87	\$217.20	+\$28.33
Option 4						
– Single	\$21.58	\$24.82	+\$3.24	\$21.58	\$24.82	+\$3.24
– Family	\$45.99	\$52.89	+\$6.90	\$45.99	\$52.89	+\$6.90

*IMPORTANT NOTE: Option 2 Increase in Annual Drug Deductible

Effective **April 1, 2020** deductibles for Option 2 will be:

- Single \$300 (up from \$200)
- Family \$600 (up from \$400)

	Under/ Over age 65		
	Your current monthly cost	Your new monthly cost	Change
Dental			
Basic Services			
– Single	\$28.34	\$28.34	\$0.00
– Family	\$64.12	\$64.12	\$0.00
Basic & Major			
– Single	\$33.13	\$33.13	\$0.00
– Family	\$74.95	\$74.95	\$0.00
Travel			
– Single	\$10.21	\$10.31	+\$0.10
– Family	\$20.39	\$20.49	+\$0.10

**Life Rates
Effective April 1, 2020**

- Basic and Dependent Life rates decrease 15%
- Optional Life rates will remain unchanged

Health and Dental premium rates are based on the paid claims for the group. The premium rates must be adequate to cover claims as well as administration costs. The increases in Health rates and the differences in the rate changes between the Under 65 and Over 65 groups are primarily related to prescription drug costs and are affected by several factors, including:

- More participants. Since 2016, there has been a 23% increase in the number of participants in the Over 65 plan and a 7% increase in participants in the Under 65 plan;
- Rising health care costs, particularly in the area of high-cost specialty drugs for conditions such as rheumatoid arthritis and cancer, along with significant increases in claims for diabetes.

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, 2020**, complete the enclosed *Coverage Change Request Form* and return it to Johnson Inc. by **Monday, March 9, 2020**.

To help you decide the Health option that's best for you, follow the steps below to estimate your total annual cost under each option and consider your tolerance for risk.

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.
Step ④	Think about how much risk you are comfortable taking for unforeseen health events and expenses. Option one provides the most protection against unforeseen health risk.

When determining your level of coverage, don't forget to take into account the different coverages and limitations of the Health Plan options. You also need to consider your level of comfort about coverage for expenses that cannot be foreseen. See the *Your Retiree Benefits Options At-a-Glance* on page 4 of this notice for a brief summary of coverage under each Health and Dental option.

Great-West Life is now Canada Life



Effective **January 1, 2020**, Great-West Life, your benefits provider, officially joined London Life and Canada Life to become one company – Canada Life.

There's nothing that you need to do. Your benefits plan and how you access it remain the same; however you will begin to see Great-West Life's marketing materials and the member website updated to reflect the new Canada Life branding. Your Great-West Life benefits card and any existing claim forms remain valid and may still be used.

During this transition you will continue to use the same login ID and password to access the GroupNet for Plan Members online, and greatwestlife.com will automatically redirect to the Canada Life site. Your benefits will be paid to you in the same way they always have, but you'll start seeing Canada Life as the payee on bank statements.

Manage your health

Canada Life has a wealth of information and tools ready to help. Login to GroupNet for Plan Members at www.canadalife.com/sign-in — Click the *Health & Wellness* on the right tab and follow the instructions to launch the Health & Wellness website.

A *Personal Health Risk Assessment* is an easy first step to take stock of your current health and set a course to improve it. In the *Health and Wellness* website, under *How healthy is your life*, click *Start Now* to begin your *Personal Health Risk Assessment*.

More information

For more information about your benefits, visit the PSGIP website at www.mybenefitplan.ca or consult 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 Canada Life for questions about claims at **1-800-957-9777**.

Benefits information meetings

To learn more about benefits under the PSGIP and upcoming rate changes, attend an information session on **February 27th** (weather permitting).

Thursday, February 27, 2020
10 a.m. to 12 p.m.

Delta Hotels by Marriott Prince Edward
18 Queen Street
Charlottetown

Thursday, February 27, 2020
2 p.m. to 4 p.m.

Quality Inn & Suites
618 Water St. E.
Summerside

If there is a storm on February 27th, the meetings will be postponed to Friday, February 28th and an announcement will be made on radio channels CFCY (FM 95.1), K-Rock (FM 105.5), Ocean (FM 100.3) and SPUD (FM 102.1). The announcement will also be posted on the CBC PEI Storm Centre located on the website page <https://www.cbc.ca/news2/interactives/stormcentre/?region=PE>.

Your Retiree Advisory Committee representatives

Bill Harper, Miriam Lank, Aubrey MacDonald, Lane MacLaren, Chandler Sahajpal, and Don Scott

Are you interested in joining the committee and providing input to the PSGIP Trustees? See the enclosed *Expressions of Interest* notice for more information.

Your retiree benefit options at-a-glance



Health and Dental Plans

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: \$300 single** \$600 family** 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 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			

* Annual deductible runs April 1 to March 31.

**Annual deductible has increased from \$200 single and \$400 family

Dental Plan	Plan A	Plan B
Coverage	Basic services only 80% recall exam once every 5 months 80% maintenance services (e.g., fillings, oral surgery and periodontic and endodontic care)	Basic and Major services 80% recall exam once every 5 months 80% maintenance services (e.g., fillings, oral surgery and periodontic and endodontic care) 50% Major restorative services (e.g., dentures, crowns and bridges) to a maximum of \$500 per year

