

## INCREASE IN EMPLOYER PAID WELFARE CONTRIBUTIONS

An increase in the employer paid welfare hourly contribution rate became effective May 1, 2018. Your Trustees have agreed to increase the limit of your welfare dollar bank to four (4) years worth of group insurance premiums (48 months @ \$315 / month). Please check your Union wage schedule to determine if your agreement was affected by the increase.

### 2018 FEDERAL BUDGET ENDS HEALTH AND WELFARE TRUSTS<sup>1</sup>

Health and Welfare Trusts (HWTs) are trusts established by benefit plan sponsors to provide health and welfare benefits to their members. These trusts are not explicitly addressed in the Income Tax Act (ITA). In the absence of specific ITA provisions, the Canada Revenue Agency (CRA) has published administrative positions on the rules and requirements applicable to such trusts, as well as the income Tax Folio S2-F1-C1, Health and Welfare Trusts, effective November 28, 2015 (Folio).

The 2018 Federal Budget, tabled by Finance Minister Bill Morneau announced the requirement for all existing Health and Welfare Trusts (HWTs) be converted to Employee Life and Health Trusts (ELHTs) or wind up by the end of 2020.

Employee ELHTs are trusts that provide specific group life insurance, private health service plans, and group sickness and accident benefits to members. While many of the ITA provisions for ELHTs are similar to CRA's guidance on HWTs, a number of issues are handled differently—for example, tax deductibility of contributions, definition of eligible dependents, treatment of surplus, key

person restrictions and computation of taxes on investment earnings.

More details on this transition will be made available later this year.

### 2018 ONTARIO BUDGET EXPANDS OHIP+ PROGRAM<sup>2</sup>

The 2018 Ontario Budget: Focus on Care and Protection announced the expansion of the Ontario Drug and Dental Program to provide drug and dental benefits to Ontarians who do not currently have access to extended health benefits.

Starting in summer 2019, the program will reimburse 80% of participants' eligible prescription drug and dental expenses, up to an annual maximum (\$400 singles/ \$600 couples, plus \$50 per child). The government hopes individuals will have better access to prescription medications and dental care needed to improve health outcomes, and reduce the need for emergency care.

It is unclear whether partial coverage will be available to individuals who have health coverage (including prescription drug coverage) but no dental coverage, or dental coverage but no health coverage, or if these individuals will be excluded from the

program.

The Budget states OHIP+ will be expanded to seniors, regardless of income, effective August, 2019. This means seniors will no longer be required to pay the ODB annual deductible (\$100) if their income exceeds the prescribed threshold and co-payments (\$2 or \$6.11 depending on income), saving the average senior approximately \$240 a year.

### UPDATE—OHIP+ NO LONGER COVERS KIDS, YOUNG ADULTS WITH PRIVATE INSURANCE

The Ontario Liberal's original budget has been recently modified by the newly elected Ontario PC party. Children and youth *with private health plans* will no longer be eligible to receive free prescriptions through OHIP+.

Christine Elliot, Ontario's new Health Minister has stated "Those who are covered by private plans would bill those plans first, with the government covering all remaining eligible costs of prescriptions".

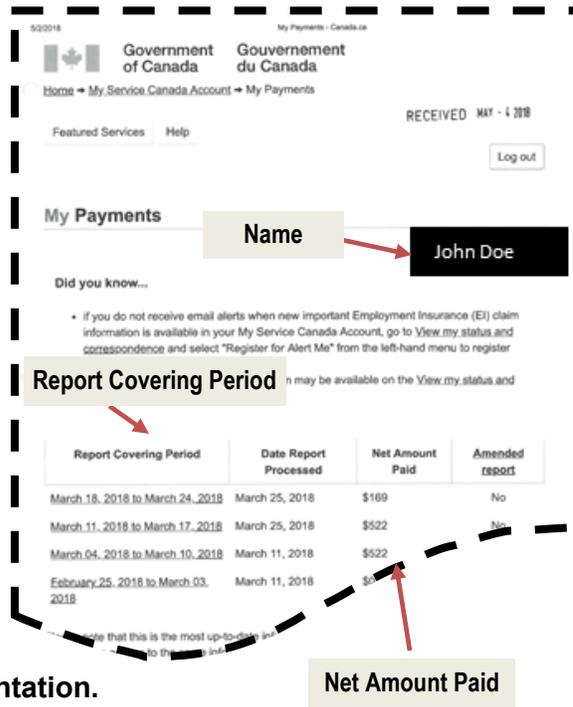
<sup>1</sup> Eckler Special Notice dated March 28, 2018

<sup>2</sup> Eckler Special Notice dated February 27, 2018

## SUB CLAIM DOCUMENTATION CHANGE — BENEFIT CLAIMS AND FRAUD

As mentioned in our December, 2017 Pipewrench, proper documentation (marriage license, birth certificate) would be required before a member could add dependents to the group benefit plan.

In keeping with our fraud prevention program and under auditor recommendations, as well as legal requirements, **the member's name must appear as part of the Service Canada documentation.**



## Local 67 Board of Trustees

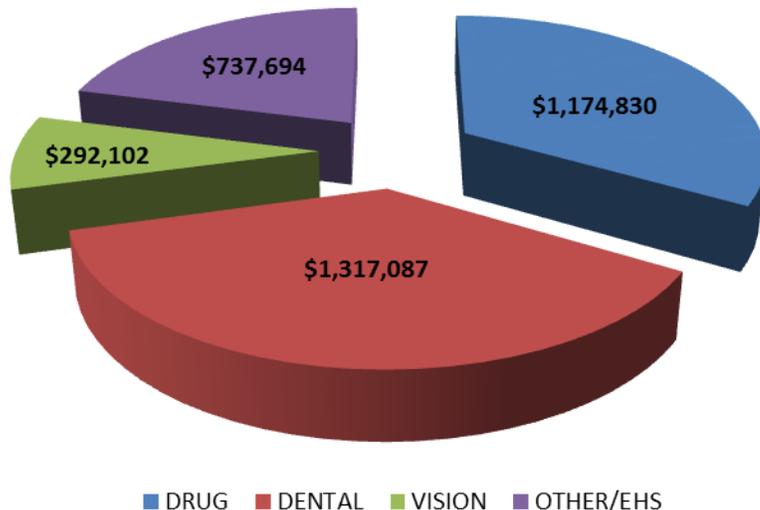
- Victor Langdon, Chairman  
 Ross French, Secretary  
 Nathan Bergstrand  
 Les Ellerker  
 Steven Foffano  
 Ken Luxon  
 Dave Marcus  
 Bill Stanger

Questions?

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## 2017 BENEFIT CLAIMS



In 2017 benefit claims increased by 8.95% over that of 2016 for a total of \$3,521,713. Dental claims, representing 37.4% of claims dropped slightly as did vision care. Drug costs increased as did other/EHS.

Moving? Divorced?

Re-married?

It's important to keep your information current. Contact Reliable Administrative Services Inc., or print off a copy from their website, of the Welfare and/or the Pension Enrolment/ Change forms.