

# PIPEWRENCH

Your Communication Pipeline

February 1, 2020

## EMPLOYEE REENROLMENT

In October 2019, with the assistance of your Benefits Consultant Underwriters Alliance Inc., we conducted a reenrolment of our Group Benefit plan to ensure the information on record was up to date and that all dependents on the plan were eligible under the dependent definitions of the plan. Recently, we received a number of questions from our members regarding some of the information that was being requested. To address these questions in aggregate, we have provided information as to why the reenrolment was undertaken and what it means to our members and their dependents going forward.

### Why is this information required?

Under any employer paid benefit plan in Canada the *Income Tax Act* sets out rules governing who is eligible as a dependent. The government is becoming more rigorous in the enforcement of eligibility rules under group benefit plans. As a result, employers must show that they are compliant with all eligibility rules. If eligibility rules are not followed, employees may be required to pay tax for benefit coverage under the plan. Under CRA, the Local 67 Group Benefit plan is considered a Private Health Services Plan.

Per the Canada Revenue Agency (CRA), the only dependents that a Private Health Services Plan can cover are those that, in the absence of a Private Health Services Plan, would qualify as dependents for the medical tax credit. This would include, the taxpayer, their spouse and any member of the household to which the taxpayer is related by blood, marriage or adoption. If a dependent would not qualify for purposes of the medical expense tax credit, they would also not qualify as a dependent under a Private Health Services Plan (Section 20.01, IT339R2).

If you have incorrectly included dependents that do not meet the definition of dependents as defined under section 118.2 (Medical expense credit), the employer is, in effect, providing tax free remuneration to those individuals.

Failure to comply with the requirements of a Private Health Services Plan renders the plan revocable and could result in the CRA reclassifying the plan as an employee paid benefit plan. Should this occur, every dollar paid out of the plan from the date the requirements were not met become taxable in the recipients hands as income in the years they received the payments, as described in *IT 502*.

To substantiate a spousal dependent currently on the plan, please provide a copy of your most recent T1 General or your marriage certificate. For children, a copy of your most recent Child Tax Credit statement is required, or a copy of the Court Order, or executed Settlement Agreement establishing legal custody for children who are adopted, or residing in a home where the parents are separated.

**For those who have not provided the requested information the deadline has been extended until June 30, 2020.**

For more information or questions please contact Underwriters Alliance Inc. at 1-877-472-2205.

**Canada Revenue Agency** Agence des Revenus du Canada  
**Income Tax and Benefit Return** T1 GENERAL 2010

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled. **BC 8**

**Identification**

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial: \_\_\_\_\_  
 Last name: \_\_\_\_\_  
 Mailing address: Apt No. — Street No. Street name \_\_\_\_\_  
 PO Box: \_\_\_\_\_ RR: \_\_\_\_\_  
 City: \_\_\_\_\_ Prov/Terr: \_\_\_\_\_ Postal code: \_\_\_\_\_

**Information about you**

Enter your social insurance number (SIN). If it is not on the label, or if you are not attaching a label: \_\_\_\_\_  
 Enter your date of birth: Year: \_\_\_\_\_ Month: \_\_\_\_\_ Day: \_\_\_\_\_  
 Your language of correspondence: English  French   
 Tick the box that applies to your marital status on December 31, 2019. (See the "Marital status" section in the guide.)  
 1  Married 2  Living common-law 3  Widowed  
 4  Divorced 5  Separated 6  Single

**Information about your spouse or common-law partner** (if you ticked box 1 or 2 above) (See the guide for more information)

Enter his or her SIN if it is not on the label, or if you are not attaching a label: \_\_\_\_\_  
 Enter his or her first name: \_\_\_\_\_  
 Enter his or her net income for 2019 to claim certain credits: \_\_\_\_\_  
 Enter the amount of Universal Child Care Benefits included on line 117 of his or her return: \_\_\_\_\_  
 Enter the amount of Universal Child Care Benefit repayment included on line 213 of his or her return: \_\_\_\_\_  
 Tick this box if he or she was self-employed in 2019: 1

**Information about your residence**

Enter your province or territory of residence on December 31, 2019: \_\_\_\_\_  
 Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address: \_\_\_\_\_  
 If you were self-employed in 2019, enter the province or territory of self-employment: \_\_\_\_\_

**Person deceased in 2019**

If you return as a deceased person, enter the date of death: Year: \_\_\_\_\_ Month: \_\_\_\_\_ Day: \_\_\_\_\_  
 Do not use this area

**Goods and services tax/harmonized sales tax (GST/HST) credit application**

See the guide for details.  
 Are you applying for the GST/HST credit (including any related provincial credit)? Yes  1 No  2

Do not use this area: 172 \_\_\_\_\_ 171 \_\_\_\_\_

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## DEPENDENTS—WHO QUALIFIES?

Your spouse and dependent child(ren) must reside in Canada and be insured under a Provincial Healthcare Insurance Plan, and who are reported to the CRA (Canada Revenue Agency) are eligible; proof of CRA qualification may be required.

### Who qualifies as a spousal dependent?

Your spouse by marriage or under any other formal union recognized by law, or your partner of the opposite sex or of the same sex who is publicly represented as your spouse, is an eligible dependent. You can only cover one spouse at a time.

Common-Law spouses are eligible, as long as 12-months of continuous co-habitation has been satisfied.

### Who qualifies as a child dependent?

Your children, your spouse's children, or children for whom you or your spouse are the legal guardian are eligible dependents, if they are not married or in any other formal union recognized by law, and are under age 21.

A child who is a full-time student attending an educational institution recognized under the Income Tax Act (Canada) is also considered an eligible dependent until age 25 (26 in Québec) as long as the child is entirely dependent on you for financial support.

If a child becomes handicapped before the limiting age, coverage will be continued as long as:

- The child is incapable of financial self-support because of a physical or mental disability, and
- The child depends on you for financial support, and is not married nor in any other formal union recognized by law.



To ensure your benefits remain untaxed it is important to ensure all necessary dependent eligibility requirements are met prior to adding a dependent to your plan. If eligibility rules are not followed you may be required to pay tax for all benefit coverage under the plan.

If you have any questions or are unsure if a dependent is eligible please contact Reliable Administrative Services at 1-855-387-5861 or Underwriters Alliance Inc. at 1-877-472-2205 for assistance.

# COORDINATION OF BENEFITS—HOW IT WORKS!

If you or your dependents are covered for Extended Health or Dental under this plan and another plan, your benefits will be coordinated with the other plan following insurance industry standards. These standards determine which plan you should claim from first.

**Claims for you and your spouse should be submitted in the following order:**

- The plan where the person is covered as an employee. If the person is an employee under two plans, the following order applies:
  - The plan where the person is covered as an active full-time employee.
  - The plan where the person is covered as an active part-time employee.
  - The plan where the person is covered as a retiree.
- The plan where the person is covered as a dependent.

**Claims for a child should be submitted in the following order:**

- The plan where the child is covered as an employee.
- The plan where the child is covered under a student health or dental plan provided through an educational institution.
- The plan of the parent with the earlier birth date (month and day) in the calendar year.
- The plan of the parent whose first name begins with the earlier letter in the alphabet, if the parents have the same birth date.

The above order applies in situations where the parents are not separated or divorced and where there is no joint custody of the child. In this case the following order applies:

- The plan of the parent with custody of the child.
- The plan of the spouse of the parent with custody of the child.
- The plan of the parent who does not have custody of the child.
- The plan of the spouse of the parent who does not have custody of the child.

When you submit a claim, you have an obligation to disclose to Green Shield all other equivalent coverage that you or your dependents have.

If you have any questions or are unsure of which plan you should claim from first, please contact Reliable Administrative Services at 1-855-387-5861 or Underwriters Alliance Inc. at 1-877-472-2205 for assistance.



**Local 67  
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Questions?

Please contact:

**Reliable Administrative Services Inc.**  
 102-195 Dartnall Rd  
 Hamilton ON L8W 3V9  
 905-387-5861 / 1-855-387-5861  
 local67@reliableadmin.com

**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.**