



April 2011

Long Term Disability (LTD) New Premium Rate (effective May, 2011)

Each year our Plan actuary conducts an actuarial valuation on the University of Manitoba LTD Plan. The purpose of this actuarial valuation is to assess the financial position of the Plan and to determine the appropriate premium rate for the following year.

The number of disabled claims at March 31, 2010 was 110 and at March 31, 2009 the number of claims was 101.

How are LTD claims managed?

Each LTD claim is adjudicated by Great West Life. If approved, it is reviewed to assess the potential for return to work.

While the rehabilitation initiatives are quite active, the number of new claims has exceeded the recovery/cessation claims which have caused an increase in the total number of disabled lives. The trend towards a higher level of new claims appears to have leveled off in 2010 with 111 open disabled claims at January 31, 2011.

The actuarial valuation included a recommendation to increase our LTD premium to \$2.36 per \$100 of covered payroll (from the current \$2.24). LTD premiums will continue to be shared equally between employees and the University. The increase in the number of disabled individuals, coupled with the poor investment performance, were the main reasons for the actuary's recommendation to increase the LTD premium rate.

Cosmetic Procedures

Effective September 1, 2010, expenses for purely cosmetic procedures will no longer be eligible for reimbursement under your Supplementary Health Plan or Healthcare Spending Account.

Examples include surgical and non-surgical procedures aimed at enhancing one's appearance such as:

- Liposuction
- Hair replacement procedures
- BOTOX injections
- Teeth whitening

This change was necessitated by the federal government's Budget 2010 decision to exclude these cosmetic procedures from eligibility for the Medical Expense Tax Credit, which is part of the federal Income Tax Act.

Exceptions for medically necessary services

A cosmetic procedure, including those identified above, will continue to qualify for reimbursement if it is required for medical or reconstructive purposes, such as surgery to address a deformity connected to a congenital abnormality, a personal injury resulting from an accident or trauma or a disfiguring disease.

Claims submitted for cosmetic procedures that are medically necessary will require a doctor's referral otherwise, such claims will be declined.

Healthcare Spending Account (HCSA) improvements to maximums

The Board of Governors approved a recommendation of the Staff Benefits Committee to increase the maximums to the Healthcare Spending Account.

	Full-Time	Part-Time
April 1, 2010	\$550	\$385
April 1, 2011	\$575	\$400
April 1, 2012	\$600	\$420

The maximum for April 1, 2010 was increased retroactively. If you had already reached your maximum in claims prior to the increase, you will need to resubmit the Explanation of Benefits received from Great West Life showing any unpaid claim amount attached to a completed claim form, in order to be reimbursed to the new maximum.

Claim forms can be obtained from the Staff Benefits Office or may be downloaded from the website at www.umanitoba/admin/human_resources/staff_benefits

If you have any questions about your claim, please call Great West Life at 1-800-957-9777. Please have your employee number handy.

Expenses incurred between April 1, 2010 and March 31, 2011 and to be paid from the 2010/2011 HCSA must be received, processed and paid by Great West Life no later than June 30, 2011.

The HCSA can be used:

- To claim reimbursement for premiums paid by you towards the Supplementary Health Plan;
- To top up payment for services not fully covered under your benefit plan, or to cover deductibles under your plan or your spouse's plan;
- For prescription drugs not recognized on the Manitoba Pharmacare formulary;
- For vision care expenses
- For any expense that qualifies as a medical expense under the Income Tax Act.

The HCSA pays out only on the balance remaining after all other insurance plans have been paid out. That includes your basic plan, your spouse's plan and provincial plans.

Reminder: Claims for the Healthcare Spending Account (HCSA) should be sent in promptly to avoid delays and ensure timely reimbursement.

If you do not use the full allocation, any unused amount may not be carried forward. If you don't use it, you lose it.