

# P & B Times

NEWS FROM THE PENSION & BENEFITS OFFICE (ASKPB@YORKU.CA)

MARCH 2013 — ISSUE 14

This newsletter is designed to present York employees, former employees and retirees with useful general information pertaining to their pension & benefits. Please keep in mind that as this newsletter is distributed to different groups with different entitlements, that all articles may not pertain to you and your situation.

## Pension Reform Measures in Ontario

Until recent years, the statutory framework governing pension plans for Ontario employees had remained largely unchanged. After years of pending Ontario reform, changes were introduced July 1, 2012. These changes came on the heels of the January 1, 2012 introduction of a new regime governing the valuation and division of pension benefits on marriage breakdown. (Please refer to issues #7 & #9 of the P&B Times).

### Impact of Amendments to Ontario Pension Benefits Act (PBA) effective July 1, 2012.

**Expanded “Grow in” rights:** “Grow in” requires that a terminated member entitled to a deferred pension be permitted to receive their deferred pension at the time and subject to the same reductions as would have applied if the member’s employment had continued to the time when an immediate retirement pension is available. The terms of the York University pension plan already provided benefits on this basis for all members.

**Immediate vesting and locking-in:** All pension benefits accrued by Ontario members who terminate employment on or after July 1, 2012 are now immediately vested and locked-in.

**New thresholds for the unlocking of small benefits:** In conjunction with the introduction of immediate vesting and locking-in, the PBA was amended to increase the small benefit threshold to enable the pay-out of small benefits upon termination and retirement. The new threshold for the settlement of the member’s benefit by way of a cash payment or unlocked transfer is: (i) the **annual pension** is less than 4% of the Year’s Maximum Pensionable Earnings (“YMPE”) in the year of termination of employment or (ii) the **commuted value** of the former member’s pension is less than 20% of the YMPE in the year of termination of employment.

**Electronic Transmission:** Notices, statements and other records may be sent to a plan member by electronic means. Regular readers of the P&B Times will be familiar with our efforts in reducing the amount of “paper” we send out. To that end, **if you have not provided us with a valid email address, you may do so at askpb@yorku.ca.**

**Annual Pension Statement:** The annual pension statement to members is required to include the transfer ratio of the plan per the two most recently filed actuarial valuation reports and an explanation of the transfer ratio and how it relates to the level of funding of members benefits. York University updated the annual pension statements accordingly last year.



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## Insured or ASO - What is the difference?

When it comes to group insurance policies there is a difference between an insured plan and an ASO plan. The group life insurance and long term disability coverage that a number of active York employees have are considered **insured or premium based policies**. These two plans work much the same way as car insurance. **The more claims paid out the greater the likelihood that the premium is going to increase.** Each year the insurance company analyzes how many claims were paid and compares this to what they had thought the experience would be to determine the premium for the next year.

The extended health, vision and dental coverage is on an ASO basis. **ASO stands for Administrative Services Only** and this type of policy is typically used by large employers such as the University. The insurance company, in this instance, Sun Life administers and pays claims based on the benefits that have been negotiated. Each week the University pays Sun Life for all claims that have been paid and also pays an administration fee. It is Sun Life's responsibility to ensure claims are appropriately reviewed and adjudicated. The cost to the University for the extended health, vision and dental coverage is over \$30 million each year and it continues to increase.

The Pension & Benefits office is aware of providers that suggest substituting a covered product or service for something that is not an eligible expense. Examples are as follows:

- ◆ a facial or spa service instead of registered massage therapy
- ◆ designer sunglasses instead of prescription eye wear
- ◆ teeth whitening instead of regular dental care
- ◆ purchase of new orthotics each year - the body of an orthotic should last three to five years for adults
- ◆ regular ongoing physiotherapy - typically physiotherapy should be used for the rehabilitation of an existing medical condition (i.e. short term use) and not used for preventative, permanent or on an ongoing basis
- ◆ provider asking you to complete a form asking for the benefit level maximums for services or supplies, for example, ordering custom made orthotics and the provider asking what coverage you have for shoes, compression stockings, etc. The provider is 'fishing' for information to try and 'sell' you products or services that may not be medically necessary.
- ◆ hospitals charging for a semi-private or private hospital room while you were not in such a room

### **How can you ensure that your coverage and personal information remain intact?**

**Protect your personal information** - never sign a blank claim form or give a service provider your personal information such as passwords. Check your online claims regularly to ensure you are aware of all claims that have been submitted and paid under your employee ID. If the claim statement (Explanation of Benefits) does not match the service or treatment you received contact Sun Life immediately. The link to the Sun Life member website is: <https://www.sunnet.sunlife.com/signin/mysunlife/home.wca?>

**Do not substitute products or services** - If a service provider suggests substituting one covered product or service for something that is not covered under your benefits plan, or provides a receipt in the name of a family member who did not receive services, decline the offer.

**Check your receipts** - ensure receipts are correct and reflect the service or treatment you actually received.

**Know your group benefits plan** - understand what is covered and what limits may apply.

**Ask questions** - if the provider is suggesting a service or treatment check with your doctor to determine if it is medically necessary.

**Report suspicious activity** - if you are suspicious of any activity, offer, or request from a service provider or medical equipment supplier contact Sun Life's Fraud Hotline, toll free at 1-888-882-2221 or email them at [clues@sunlife.com](mailto:clues@sunlife.com). Your confidentiality will be protected.

## Insured or ASO - What is the difference?

Sun Life is constantly reviewing claims to ensure the service or supply is appropriate. There is an entire unit at Sun Life that call providers to ensure the treatment took place as well as review credentials of providers to ensure they are registered with the appropriate body. When Sun Life pays a claim they are spending the University's money so they want to be sure they adjudicate the claims appropriately.

### Mistakes happen

In the event you believe Sun Life has adjudicated your claim incorrectly please contact them in the first instance to determine if there was an error. In the event Sun Life maintains their position and you still think they are incorrect you may contact the Pension & Benefits office by e-mailing [askpb@yorku.ca](mailto:askpb@yorku.ca) or call 416-736-2100 extension 27572 between 9:00 am and 4:00 pm Monday to Friday. If we have to contact Sun Life for specific information we will ask you to complete a release form so Sun Life can provide us with the documentation, information etc., since your claim information is confidential. Providing us with a claim number or a copy of the SunLife paperwork provides implied consent.

### Submitting claims electronically and/or auditing of claims

When you submit a claim through the Sun Life member website you need to hold onto your receipts for 12 months. If Sun Life asks you for the receipts please be sure to submit them within the time frame provided. If you fail to submit the receipts in the allotted time Sun Life will turn off your ability to submit further claims electronically. The Pension & Benefits office is unable to have this service re-instated.

At any time Sun Life may ask for additional information from yourself or your provider so please be sure to respond in a timely manner. **IMPORTANT: All claims must be submitted within 15 months for active members, or within 90 days of retirement, termination or death.**

### **QUESTION:**

When will my 2012 Annual Pension Statement be made available?

### **ANSWER:**

The York University pension plan is legislatively obligated to provide 2012 Annual Pension Statements to its members by June 30, 2013. As in previous years, we will endeavor to have them ready as soon as possible in anticipation of the June 30, 2013 deadline and will advise all members when they are ready. **To ensure you are notified immediately of the statement's availability, please ensure you have provided us with a valid e-mail address.**



For further information, please call (416) 736-2100 ext 27572 or email [askpb@yorku.ca](mailto:askpb@yorku.ca)

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## Mandatory Receipt of Pension

Under the terms of the Income Tax Act, you must commence receiving your York University pension no later than the end of the year in which you reach age 71. Under the terms of the York University Pension Plan, this is the December 1st in the calendar year in which you reach age 71. Accordingly, **if you are turning 71 in 2013, you must commence receiving your York University pension no later than December 1, 2013.** **You are not required to retire from York University to receive this pension income.**

Happy 71st!



## Need More Information?

Information provided in this newsletter is of a general nature. Should you require further information that specifically pertains to you please contact the Pension & Benefits office by e-mailing [askpb@yorku.ca](mailto:askpb@yorku.ca) or call 416-736-2100 extension askpb (27572) between 9:00 am and 4:00 pm Monday to Friday. For Fridays from June 1 up to and including Labour Day weekend the phones will be answered until 3:00 pm. **It is your responsibility to check your pay advice each pay to ensure all deductions are appropriate. You can also access this information through HR Self Service.**

In the event the information contained herein conflicts with the applicable contract, policy or guideline, the terms of the contract, policy or guideline will prevail.

Here are just a few websites you can access to gain more information:

Sun Life's Plan Member services: [www.sunlife.ca/member](http://www.sunlife.ca/member)

York University Retirement Planner: [www.yorku-ret.ca](http://www.yorku-ret.ca)

York's Pension & Benefits Office: [www.yorku.ca/hr/units/cpb/pensionbenefits.html](http://www.yorku.ca/hr/units/cpb/pensionbenefits.html)

York's HR Self Service: <https://hrselfserve.yorku.ca/psp/HR91PRD/?cmd=login>