

# P & B Times

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

JULY 2014— ISSUE 21

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, all articles may not pertain to you and your situation.

## YOUR DRUG BENEFITS: Using them the right way

Unfortunately, there is a high cost to the misuse of drug coverage and that is something we should all be concerned about. For many plan members, coverage for prescription drugs is often their most valued and necessary plan benefit. It is also one of the highest costs associated with any insurance benefits plan. Therefore, it is something we all want to protect and preserve. Reducing the costs associated with drug benefit fraud and misuse is a responsibility that everyone shares – you, the University, and Sun Life Financial.

Here are some ways that you can reduce the risk of fraud and misuse – and ensure that you're using this valuable benefit in the right way.

- ◇ **Protect your personal information.** Never give a pharmacist your personal information such as access IDs and passwords. To be safe, check your online drug claims history regularly to ensure that you are aware of all drug claims that have been submitted and paid under your benefits plan. Identify to Sun Life any claims submitted without your knowledge.
- ◇ **Submit claims electronically whenever possible.** The most convenient way to pay for your prescriptions is to use your Pay Direct Drug card, if you have one. This allows Sun Life to immediately reimburse the pharmacy, and you pay only the balance. Alternatively, online claims submission and direct deposit is a secure option for claims processing.
- ◇ **Don't lend your drug card.** Your benefits plan covers only you and your eligible family members for prescription drugs. So don't lend your drug card to someone else or use it yourself to cover their prescriptions. All of these are considered misuse of your benefits and, in some instances, may be considered a criminal offence.
- ◇ **Ensure your prescriptions are medically necessary.** Your benefits plan covers drugs prescribed by a doctor for the treatment of an illness or medical condition. Submitting drug claims for a purpose other than a medically necessary treatment may constitute plan abuse or suspected fraud.
- ◇ **Keep your receipts.** It is important that you keep your receipts for one year. Sun Life may request additional information from you regarding the services or products you received.

To ensure the risk of a potential fraud remains low, always deal with a reputable pharmacy that you know and trust – and report any suspicions to your doctor or to Sun Life Financial toll free at: 1-888-882-2221.

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*Given the widespread need and use of prescription medications – and the potential for addiction and abuse – it's not surprising that drug benefits are sometimes subject to fraud and improper use.*

## CHANGES TO FEATURES ON SUNLIFE PLAN MEMBER SERVICES WEBSITE

To further enhance the plan member experience, SunLife has recently implemented a number of changes to features on the mysunlife.ca secure plan member website.

### Paramedical balance now available

The my Sun Life Mobile app allows plan members to check the remaining balance of coverage for paramedical, specialist and psychology services, if applicable to your plan. We have now made this function available on the web. You will find a new row on your coverage page that lets you know how much coverage you have left for the benefit year.

### Easy to find travel information

SunLife has been told that some plan members have a hard time finding information about their travel coverage. To make this information more accessible, they have:

- ◇ Added a "Travel benefit" option on the home page in the "Take me to..." drop down menu and have updated all other "Take me to..." drop down menus
- ◇ Added "Travel benefit" to the my coverage menu items
- ◇ Added a link to travel coverage from the "Print travel card" page

### Questions?

Please contact the SunLife Customer Care Centre at 1-800-361-6212, Monday to Friday, 8 a.m to 8 p.m ET.

## COST OF HEALTH & DENTAL BENEFITS COVERAGE

A key component of your total compensation package at York University is the health and dental benefits coverage to which you are entitled. Let's take a look at how we're spending our health and dental benefits coverage that is provided by the University through the first quarter of 2014.

### 2014 Q1 Extended Health Care Costs

Major Categories	Claims Amount Paid	Annualized Cost per Member	Benchmark Cost per Member	% that York is higher than benchmark
Drugs	1,957,070	871	615	41.63%
Paramedical Practitioners	2,598,915	1,157	259	346.72%
Hospital, in Canada	112,330	50	24	108.33%
Vision	332,053	147	77	90.91%
Medical Services & Equipment	729,011	324	92	252.17%
<b>TOTAL</b>	<b>5,729,379</b>	<b>2,549</b>	<b>1,067</b>	<b>138.89%</b>

### 2014 Q1 Dental Costs

Major Categories	Claims Amount Paid	Cost per Member	Benchmark Cost per Member	% that York is higher than benchmark
Surgical, Restorative	773,439	347	260	33.46%
Periodontics, Endodontics	1,166,227	524	278	88.49%
Orthodontics	155,314	69	42	64.29%
Major Restorative	360,960	162	88	84.09%
Diagnostic, Preventive	517,689	232	199	16.58%
<b>TOTAL</b>	<b>11,609,613</b>	<b>1,301</b>	<b>860</b>	<b>51.29%</b>

The benchmark statistics are based on Sun Life's book of business for plans covering 500 + employees. As you can see, **our costs are above the benchmark values across the board.**

## ANNUAL ADJUSTMENTS TO PENSIONS

The York University Pension Plan does not transfer your money purchase account balance to an insurance company at retirement for the purchase of an annuity. Instead, your pension is paid from the Trust Fund. Paying your pension from the Trust Fund allows the University to make adjustments to your pension based on the net investment returns of the Trust Fund.

### How is the adjustment calculated?

Every January 1<sup>st</sup> the four year moving average fund rate minus 6% is applied to your pension. The reason for subtracting 6% is that when you first retire, the actuarial factors used to calculate the money purchase pension assumed the Pension Fund would earn 6% annually throughout your retirement. Specifically, the formula is as follows:

$$(1+A) / (1+B) - 1$$

A is the Moving Four Year Average Fund Return at the commencement of each Pension Year, expressed as a decimal to six places; and B is 0.06

This calculated amount is tracked to the next January 1<sup>st</sup> when the same calculation is applied using the new four year moving average fund rate. When this calculated amount is greater than the pension you are receiving, we increase your pension. When the calculated amount is less than the pension you are receiving, your pension remains the same.

Here is an example:

Henry begins receiving a pension of \$1,000 a month on January 1. The calculation below shows the progress of Henry's pension in the next three years.

### For year 1

Let's say the moving four-year average fund return is 8%. The annual pension adjustment would be: 1.8868% calculated as follows:  $(1.08/1.06) - 1$ .

Henry's pension would be adjusted to \$1,018.87 a month (\$1,000 increased by 1.8868%).

### For year 2

Let's say the moving four-year average fund return is 5.4%. The annual pension adjustment would be: -0.5660% calculated as follows:  $(1.054/1.06) - 1$ .

The calculated amount would be \$1,013.10 calculated as follows: \$1,018.87 decreased by 0.5660%. As this calculated amount is less than the pension Henry was receiving (\$1,018.87), Henry continues to receive \$1,018.87.

The calculated amount of \$1,013.10 is carried forward to next year.

### For year 3

Let's say the moving four-year average fund return is 7.5%. The annual pension adjustment would be 1.4151% calculated as follows:  $(1.075/1.06) - 1$ .

This 1.4151% would be applied to the carry forward amount from last year (\$1,013.10) which would yield \$1,027.44.

As this calculated amount (\$1,027.44) is greater than the amount Henry is receiving (\$1,018.87), Henry's pension would be adjusted to \$1,027.44.

**All retirees receive an annual communique advising them whether or not there will be an adjustment to their pension as well as their specific details about the aforementioned adjustment calculation.**



## Help us help you.

In all of our communications we provide details on how to contact the Pension & Benefits office should you require further assistance. Specifically, we ask you to please call (416) 736-2100 ext 27572 or email us at [askpb@yorku.ca](mailto:askpb@yorku.ca).

We average 475 phone calls per month through the general “askpb” extension 27572 and well over 700 emails. Three pension and benefits administrators handle these calls and emails. **Much of the information we are asked to provide is available online.** In order for us to better serve you, **please take a moment to see if the information you require is available** at YU Link ([yulink.yorku.ca](http://yulink.yorku.ca)), the Pension & Benefits website ([www.yorku.ca/hr/units/cpb/](http://www.yorku.ca/hr/units/cpb/)), the SunLife website ([www.sunlife.ca/member](http://www.sunlife.ca/member)) or any of the other resources listed below. We believe you will be pleasantly surprised at the amount of information that is available at the click of a button. For those instances when you do need to contact our office, please be sure to have your nine digit employee number available.

For:	Contact:
Courses covered by Tuition Fee Waiver	<a href="http://sfs.yorku.ca/fees/waivers/">sfs.yorku.ca/fees/waivers/</a>
Personal Expense Reimbursement	Finance Department (416) 736-5661
T4'S (Active Employees)	Payroll Department, Extension 55552
T4a's (Retirees)	CIBC Mellon 1-800-565-0479 Extension 0
Retiree questions re monthly pension cheques, taxes, changes in banking information	CIBC Mellon 1-800-565-0479 Extension 0
Address Changes - Active Employees	Employee Records, Human Resources
Vacation, Sick Leaves, Personal Credits	Refer to your department or union group
Employment Letter	Employee Records, Human Resources
RRSP Limits	Canada Revenue Agency
Benefits (health, dental, vision) questions	SunLife 1-800-361-6212 (Contract #14098)
Benefits claim denied?	SunLife 1-800-361-6212 (Contract #14098)

### Here are some websites you can access to gain more information:

- ◇ Sun Life's Plan Member Services: [sunlife.ca/member](http://sunlife.ca/member)
- ◇ York's Retirement Planning Centre: [yorku.ca/retire](http://yorku.ca/retire)
- ◇ York University Retirement Planner: [yorku-ret.ca](http://yorku-ret.ca)
- ◇ York's HR Self Service: [hrselfserve.yorku.ca](http://hrselfserve.yorku.ca)

### Need Further 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 by calling 416-736-2100 extension (27572) between 8:30 am and 4:30 pm Monday to Friday. For Fridays from June 1 up to and including Labour Day weekend the phones will be answered until 3:30 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.

### Thanks, but no thanks.

**We average well over 700 emails per month. While we appreciate you sending us a “thank you email” after we’ve helped you out, we would in fact prefer that you did not, so as to help us reduce the number of emails that we have to log and process.**

***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.***