

**ADMIN-
EZ**TM
**ADMINISTRATOR
RESOURCE MANUAL**

Version 10.0



Suite 300 - 1275 West 6th Avenue, Vancouver, BC, V6H 1A6

Phone 604.568.8860 | FAX 604.676-1024

www.rppbenefits.com

TABLE OF CONTENTS

| | |
|---|----|
| CONTACT INFORMATION FOR RPP BENEFITS INC. | 1 |
| PURPOSE OF THIS MANUAL..... | 2 |
| WEB SITE RESOURCES..... | 3 |
| DEDUCTIBILITY & TAXATION OF INSURANCE COVERAGE..... | 5 |
| EMPLOYMENT STANDARDS - GOVERNMENT REGULATIONS..... | 6 |
| TERMINATION OF GROUP BENEFITS - INCLUDING SEVERANCE..... | 9 |
| EMPLOYER OBLIGATION TO AN EMPLOYEE ON DISABILITY..... | 11 |
| CONTINUITY HEALTH & DENTAL COVERAGE PLANS..... | 12 |
| HIRING INDEPENDENT CONTRACTORS..... | 13 |
| EMPLOYMENT ISSUES - GROUP BENEFITS ADMINISTRATION..... | 15 |
| SAMPLE WAIVER FORMS - GROUP BENEFITS ADMINISTRATION..... | 19 |
| B.C. MEDICAL SERVICES PLAN AND FAIR PHARMACARE..... | 22 |
| OTHER SERVICES OFFERED BY B.C. GOVERNMENT..... | 26 |
| EMPLOYMENT INSURANCE (EI) EXCLUDING QUEBEC..... | 28 |
| CANADA/QUEBEC PENSION PLAN (CPP/QPP)..... | 32 |
| OLD AGE SECURITY (OAS) PROGRAM..... | 33 |
| WORKER'S COMPENSATION..... | 34 |
| INTESTATE - DYING WITHOUT A WILL..... | 36 |
| PERSONAL INFORMATION PROTECTION AND ELECTRONIC DOCUMENTS ACT..... | 38 |
| OUR COMMITMENT TO YOU & OUR CORE VALUES..... | 40 |
| DISCLAIMER..... | 41 |

CONTACT INFORMATION FOR RPP BENEFITS INC.

Our focus at RPP Benefits Inc. is on Employee Group Benefits, Executive benefits and Pension Plans. We are dedicated to providing professional, reliable advice to our clients about their employee benefit plans and related matters. Please do not hesitate to contact our office with any questions you may have or service you require.



300 – 1275 West 6th Avenue
Vancouver, BC V6H 1A6
Phone: (604) 568-8860
Fax: (604) 676-1024

Allan Plaustainer, CLU
President

(604) 568-8860 Ext. 1
allan@rppbenefits.com

Carol Billings
Director of Operations

(604) 568-8860 Ext. 2
carol@rppbenefits.com

Linda Kalnins, CHS
Client Services Manager

(604) 568-8860 Ext. 3
linda@rppbenefits.com

The information contained in this manual is for general use and informational purposes only. It is not intended to be legal advice. You must consult your professional advisor about your particular circumstances.

PURPOSE OF THIS MANUAL

The effective, efficient operation of a well-run business often depends on the underlying systems and processes that have been put in place to support that business. Often times a business owner will delegate administrative responsibilities among staff members; however finding the time to train properly or search out helpful resources can be a challenging task.

This manual is focused on the finer points of managing your employee benefits plan, and hopefully provide quick references to Plan Administrators. While Plan Administrators typically have access to administration manuals, forms, and newsletters from the insuring benefits companies, these resources often these resources are initially scanned, and then put in the “reading” pile for “someday”.

A business owner may be surprised to learn that there are possible legal pitfalls with employee benefits plan administration. The landscape for employers include an increasingly litigious society, emerging case law, and ever-changing legislation. This manual will highlight some of the potential hazards lurking in benefits administration, and will offer some tools to manage or eliminate such risks.

The manual also provides concise overviews of various Government programs, particularly those which may occasionally be of interest to a Plan Sponsor or Administrator. Web-links are provided to obtain further information.

Please note that we do not provide legal advice, and strongly suggest you contact a lawyer who specializes in Labour Relations law if you have a specific case to discuss.

This document is not to be copied without the express permission of RPP Benefits Inc.

WEB SITE RESOURCES

GOVERNMENT

| | |
|---|---|
| Employment and Social Development Canada | http://www.esdc.gc.ca/eng/home.shtml |
| Canada Revenue Agency (CRA) | www.cra-arc.gc.ca |
| Consular Affairs: Information & Assistance for Canadians Abroad | http://travel.gc.ca/ |
| Government of British Columbia | www.gov.bc.ca |
| WorkSafe BC | www.worksafebc.com |
| Health Canada | www.hc-sc.gc.ca |
| Non-Insured Health Benefits (NIHB) – For First Nations | http://www.hc-sc.gc.ca/fniah-spnia/nihb-ssna/index-eng.php |
| Aboriginal Affairs and Northern Development Canada | http://www.aadnc-aandc.gc.ca/ |

PROVINCIAL HEALTH PLANS

| | |
|-------------------------|---|
| Alberta Health | www.health.gov.ab.ca |
| British Columbia | www.gov.bc.ca/health |
| Manitoba | www.gov.mb.ca/health |
| New Brunswick | www.gnb.ca/0051/index-e.asp |
| Newfoundland & Labrador | www.gov.nf.ca/health/Default.htm |
| Nova Scotia | www.gov.ns.ca/health |
| Ontario | www.health.gov.on.ca |
| Prince Edward Island | www.gov.pe.ca/health |
| Quebec | http://www.ramq.gouv.qc.ca/fr/citoyens/assurance-maladie/Pages/assurance-maladie.aspx |
| Saskatchewan | http://www.saskatchewan.ca/live/health-and-healthy-living |

BENEFITS RELATED:

| | |
|----------------------------------|---|
| Benefits Canada | www.benefitscanada.com |
| College of Dental Surgeons of BC | www.cdsbc.org |
| Best Doctors | http://www.bestdoctorscanada.com/about-best-doctors |

HEALTH RELATED WEBSITES

| | |
|--|---|
| Mental Health Resources (GWL) | http://www.workplacestrategiesformentalhealth.com/ |
| Check the Drug Prices at your Pharmacy (PBC) | http://www.pharmacycompass.ca/ |
| Optum (formerly PPC) | http://www.optum.ca/employers.html |
| Shepell | http://www.shepell.com/en-ca/totalhealthsolutions/ |
| Johns Hopkins Information Network | http://www.hopkinsmedicine.org/ |
| Mayo Clinic | http://www.mayoclinic.org/diseases-conditions |

INSURERS

| | |
|--|---|
| Ace Canada | http://www.acegroup.com/ca-en |
| Desjardins Financial Security | http://www.desjardinslifeinsurance.com/en/Pages/home.aspx |
| Empire Life | http://www.empire.ca/consumer/group-benefits/en/ |
| Equitable Life | https://www.equitable.ca/ |
| Great West Life | www.greatwestlife.com |
| GreenShield Canada | www.greenshield.ca |
| IA Financial Group (Industrial Alliance) | www.inalco.com |
| Industrial Alliance Pacific | www.iaplif.com |
| Manulife | www.manulife.ca |
| Pacific Blue Cross | www.pac.bluecross.ca |
| RBC Insurance | http://www.rbcinsurance.com/business/group-insurance/ |
| Standard Life | Now a part of Manulife |
| Sun Life | http://www.sunlife.ca |
| Wawanesa Life | www.wawanesalife.com |

In addition to the links on these pages, there are many links in the body of this Booklet to specific sites. Find your subject of interest in the table of contents and check for further links.

DEDUCTIBILITY & TAXATION OF INSURANCE COVERAGE

| | Employer Contributions | | Employee Contributions | | Tax Status to Employee/Beneficiary |
|---|------------------------|---|---------------------------------|--|--|
| | Deductible by Employer | Taxable Income to Employee | Deductible on taxes by Employee | Eligible for Tax Credits to Employee | |
| PUBLIC PLANS | | | | | |
| OAS | N/A | N/A | N/A | N/A | Yes, for pension benefit No, for Guaranteed Income Supplement and Allowance All benefits subject to “clawback” |
| CPP | Yes | No | No | Yes | Yes |
| EI | Yes | No | No | Yes | Yes |
| Workers’ Compensation | Yes | No | N/A | N/A | No |
| Provincial Medical Services Plans | Yes | Yes, if paid by Employer on behalf of employee | No | No except Yes, in Quebec (within limits) | No |
| INDIVIDUAL PLANS | | | | | |
| Life Insurance | N/A | N/A | No | No | No |
| Insured Salary Continuance | N/A | N/A | No | No | No |
| Health & Dental Insurance | N/A | N/A | No | Yes, as medical expenses | No |
| GROUP PLANS | | | | | |
| Life Insurance (Employee and Dependent) | Yes | Yes | No | No | No |
| AD&D or Critical Illness | Yes | Yes (effective since Jan 2013) | No | No | No |
| Insured Salary Continuance | Yes | Yes, if the disability benefits paid out to employee are to be tax free No, if the disability benefit payments are to be taxable | No | No | Disability payments made to employee are NOT taxable if premium was paid 100% by employee, or if employer-paid premium was reported as taxable benefit |
| Health & Dental Insurance | Yes | No in B.C. and in most provinces | No | Yes, as medical expenses | No |

EMPLOYMENT STANDARDS - GOVERNMENT REGULATIONS

FEDERAL AND PROVINCIAL OR TERRITORIAL JURISDICTION

Federally-regulated employers and their employees are subject to the *Canada Labour Code*, which has established minimum standards for employment that define and guarantee employee rights and responsibilities in the workplace. Typical topics included in the Code would include:

- General holidays
- Annual vacations
- Hours of work
- Unjust dismissals
- Minimum wage
- Layoff procedures
- Severance pay

All jurisdictions in Canada have legislation dictating minimum requirements that both employers and employees must follow to ensure that employment standards are being met. All industries not covered by the Canada Labour Code will fall under their provincial or territorial legislation. An employee is covered by the legislation in force where the employee works, regardless of where the employer is located.

Following are some general rules, with an emphasis on British Columbia. Once again, we advise you to contact your local Employment Standard Branch or seek legal advice on specific situations.

<http://www.gov.bc.ca/jtst> will take you to the specific website for the British Columbia Ministry of Jobs, Tourism and Skills Training and Responsible for Labour.

STATUTORY NOTICE PERIOD

An employer must provide an employee with reasonable notice of termination. British Columbia and Federal statutory notice requirements are as follows:

| | Length of service | Statutory notice period |
|------------------|----------------------------------|---|
| Federal | More than 3 months | 2 weeks |
| British Columbia | 3 months but less than 12 months | 1 week |
| | 12 months but less than 3 years | 2 weeks |
| | 3 years but less than 4 years | 3 weeks |
| | 4 years or more | 1 additional week for each subsequent year, up to 8 weeks |

Some exceptions are allowed to the required statutory notice within jurisdictions. For instance, employment contracts and collective bargaining agreements would override the regulations. Requirements change if a large group of employees is being terminated simultaneously, or if there is dismissal with just cause. Seasonal or construction workers may also be subject to different requirements.

EXTENDED PERIOD OF NOTICE

Sometimes there are situations in which the employer may be required to provide a longer notice of termination than the required statutory notice, for example by collective agreement or terms of an employment contract. Furthermore, court cases in recent years have held that reasonable notice (as defined by legislation) may not always be sufficient. In specific cases, courts will take into account several factors to determine “reasonable” notice, including

- Employee’s length of service and level of responsibility
- State of the job market
- Employer’s past practices
- Prevailing practice in an Industry

The statutory notice period and the extended notice period could be considerably different, depending on the specific case. It is always advisable to consult with legal counsel where uncertainty exists.

EXAMPLES OF “JUST CAUSE” FOR TERMINATION

There is no rule-of-law outlining what degree of employee-misconduct constitutes “just cause”. There is, however, a test to be considered: “Did the employee behave in a manner inconsistent with the continuation of employment?”

Courts have recognized the following actions, among others, to be just cause for termination:

- Willful misconduct
- Gross incompetence
- Theft
- Fraud
- Conflict of interest
- Serious undermining of the corporate culture
- Serious breach of employer rules and policies (sexual harassment violation)
- Failure to respond appropriately to corrective discipline

The burden of proof justifying an employee's dismissal due to misconduct lies with the employer. Terminating an employee for just cause is a serious matter, and must take into account the circumstances and relevant factors in that particular case. The file should include extremely detailed notes concerning verbal and/or written warnings given the employee leading up to the time of dismissal. Without such evidence, some form of severance may need to be offered to avoid a potential lawsuit from the dismissed employee. We advise that you consult your legal advisor.

SEVERANCE PAY

An employer is required to provide severance pay to terminated employees unless the employee has been dismissed for “just cause”. The British Columbia (B.C.) Employment Standards Act and an Interpretation Guidelines Manual for B.C. Employment Standards Act and Regulations is comprehensive and is an excellent resource to consult. www.labour.gov.bc.ca/esb/igm

A shorter fact sheet regarding B.C. Employment Standards, in online form and available in PDF, can be found here: www.labour.gov.bc.ca/esb/facshts/highlights.htm

SEVERANCE & TERMINATION - GROUP BENEFITS

PUT POLICIES IN PLACE TO ENSURE EMPLOYEES ARE NOTIFIED OF THEIR GROUP BENEFITS CONVERSION PRIVILEGE

Conversion is the employee's right to continue coverage through a personal policy without proof of good health. All group life insurance contracts and some long-term disability contracts allow for conversion to...

OFFERING GROUP BENEFITS DURING SEVERANCE PERIOD: KNOW WHAT YOUR INSURER OFFERS

An employer will often want to offer Group benefits to employees during a severance period. Prior to offering an extension to the employee, the Plan Sponsor is required to discuss the requirements with the Group Insurer. An extension of

EMPLOYER OBLIGATION TO AN EMPLOYEE ON DISABILITY

When can an employer terminate an individual who is disabled? Human Rights legislation prohibits discrimination against an employee on the basis of disability; disability in itself does not terminate the employment contract. Employees expect to have ...

CONTINUATION OF BENEFITS IN THE EVENT OF DISABILITY

Since there is no legislation specifically preventing termination of employees unlikely to return to work, an employer should consult

WHAT COVERAGE TERMINATES AND WHAT COVERAGE CONTINUES AFTER EMPLOYMENT TERMINATION?

When you terminate an employee on disability, regardless of the length of time he has been disabled, you do not terminate any rights he has to collect LTD or possibly a Life Insurance benefit. All Insurers' policy contracts agree on this point. Once the employee is approved by the Insurer for LTD....

LIKE WHAT YOU SEE? ASK FOR THE MANUAL

This has been a sample of our Admin-EZ Benefits Administration Manual. From the Table of Contents and the three subjects already presented you will have seen the value it will deliver to your Benefits Administration personnel.

While Federal legislation is covered, emphasis is on British Columbia resources.

If you would like the complete copy of the Admin-EZ Benefits manual

please contact

(604) 568-8860

Choose Extension 3 for Linda or Extension 2 for Carol

OUR COMMITMENT TO YOU & OUR CORE VALUES

RPP Benefits Inc. exists to improve the quality of life for our clients by providing people and companies with professional, reliable and cost effective Employee Benefits insurance and financial services. We provide advice to individuals or companies with respect to insurance needs, employee benefits, executive compensation, and retirement planning.

We are your intermediary and advocate. We position ourselves between you and the Insurer and we represent your interests in the marketplace. We will provide you with coverage that combines quality, service, financial stability, at a competitive price. We ensure your plan is kept up to date through:

- policy maintenance,
- ongoing employee communications,
- claims support when required.

When an issue arises regarding your coverage, we are your advocates, using our professional experience and contacts to best represent your interests. We do not work for the Insurer – we work for you!

CORE VALUES & BELIEFS

We are a **Customer-driven** company, dedicated to placing the customer's needs first and foremost in every transaction.

We are a **Value-driven** company, dedicated to providing clients with the most value for their money. Integrity is one of our biggest assets and all relationships will be treated accordingly.

We are a **Team-driven** company, dedicated to providing an environment where personal growth, professionalism and creativity are encouraged and rewarded.

We are a **Community-driven** company, dedicated to making an impact on the people in our community.

MISSION

Our goal at RPP Benefits Inc. is to be recognized as a leading company in the EMPLOYEE BENEFITS market. We will be the choice for people who value exceptional service, professionalism and integrity above all else.

RESOURCES AVAILABLE TO OUR CLIENTS

Be sure to visit our website and our new Blog regularly to find topics and tools which will be of interest to plan administrators: <http://www.rppbenefits.com/blog> The blog contains insights and perspective on the latest issues and trends affecting Employee Benefits in Canada.

DISCLAIMER

The information contained in this manual is for general use and informational purposes only. It is intended to provide insight on issues of interest to Group Plan Sponsors and Administrators and point out websites which may offer further assistance.

We do not provide legal advice, and this manual is not intended to dispense legal advice. We suggest you contact a lawyer with specialties in Labour Relations law if you have a specific case to discuss.

This document is not to be copied without the express permission of RPP Benefits Inc.

RPP Benefits Inc. can provide professional insurance and financial advice on Individual or Group Life and Health insurance, Executive Compensation, Group or Individual Pension Plans, and retirement planning for individuals. Please do not hesitate to contact our office with any questions you have or service you require concerning your Group benefits, Life Insurance or retirement planning.