

On May 1, 2003, your Health and Welfare Benefit Plan will change



A stronger, more secure Plan for our members

As your Trustees, we're in charge of making sure your Carpenters' Benefit Plan offers unionized carpenters, millwrights and lathers the benefits they count on – reliably, and for the long term.

For a long time, the Plan has had a surplus. But rising costs – and stalled contributions – have eaten away that cushion.

Over the past several years, the Plan's financial position has fallen behind where we want it to be. We've improved monitoring and planning to prevent this from happening again – but in the meantime, we have to deal with a very real problem.

Last year, provincial MSP premiums alone rose by 50 per cent. Meanwhile, the Plan's income hasn't kept pace. Employer contributions haven't risen for nearly a decade; self-pay premiums haven't risen for even longer.

Of all the B.C. building trades' benefit plans, ours has the lowest contribution rate. Benefit plans like those for the Boilermakers, the Electrical Workers, the Ironworkers, the Labourers, the Operating Engineers and the Plumbers receive on average more than double what the Carpenters' Plan receives for comparable benefits. We receive \$119.50 employer contribution for a month of benefits which cost us \$244.70 to deliver.

Clearly, something has to change. We can't continue paying more in benefits than we receive in income without putting the Plan's future at risk. After careful thought, we're acting now, to protect the Benefit Plan's viability for the long term.

That means the Plan has to change.

The Plan's benefits need to be in line with the money coming in to pay for them. That's not the case right now, as an interim report and an extensive study – each from independent experts – have both made clear.

So we need to find a new balance, one that protects the overall security of the Benefit Plan for our members. That's why we've launched a series of measures to safeguard the Plan.

Many of these choices are tough ones. Members will pay for some of the coverage the Plan used to pay for. And we have to tighten the rules for several other benefits and packages to get the most good out of every dollar contributed.

We're making these changes with three key principles in mind.

- 1 We have to ensure the long-term financial health of the Benefit Plan.
- 2 We have to make the best possible use of the benefit dollars we have available.
- 3 We have to be clear about why we have a Benefit Plan, and who it should serve.

To maintain the plan's stability, we have to maintain a surplus equal to one year's worth of self-insured benefits. As part of our responsibility as the trustees, we are keeping a close eye on the Plan's financial health. We make the commitment to do an internal review every year, and a full independent assessment every three years.

We'll report the Plan's requirements to the Provincial Council before each Collective Agreement is negotiated. If the necessary contributions aren't negotiated, we'll act quickly to reduce the benefits to a level that matches the contributions. And at every step of the way, we'll be watching out to ensure that your Plan is healthy and stable. ■

This is what you need to know

Changes in detail As of May 1, 2003

1 The Plan will no longer pay your Medical Services Plan premiums

Why did we choose this benefit to turn over to you for payment?

This is the only coverage that we can be sure every member can replace. You'll pay no more than the Plan pays – and low-income members may well pay less than the Plan has paid on their behalf. (See the enclosed Premium Assistance Form to see if you are eligible for a reduced MSP premium.)

Note: Under B.C. law, you must be enrolled with MSP.

Many members won't have to pay anything at all, because they can be covered under their spouse's benefit plan.

If you pay the premium yourself, your extra cost will be partly offset by a reduction in your income tax, because you'll stop paying tax on premiums that were paid by the Plan. Your T4A amount will be much smaller because it will only include your life insurance premium.

What you need to do

If there is another group plan that will cover you, you need to make arrangements for them to pay your premiums. You (or your spouse, if your coverage comes from your spouse's plan) should obtain a Change of Payer form from them, and follow the instructions on it to change the billing arrangements.

Otherwise, MSP will automatically bill you directly. You won't need to contact them unless...

- You haven't received a bill within 60 days and you don't qualify for a 100-per-cent premium subsidy. (See *How much you'll have to pay*, below.)
- You are experiencing financial difficulties, in which case you should apply for premium assistance. (See *Premium assistance: Do you qualify?*)

How much you'll have to pay

MSP premiums are based on family size and income. The monthly rates are:

- \$54 for one person
- \$96 for a family of two
- \$108 for a family of three or more

You can pay your premiums every month, 3 months, 6 months or 12 months. Premiums are due one month in advance and the rates can change.

2 Length of coverage for dependents of deceased members will be increased

The death of a loved one is always a difficult time, and we want to help members' families cope. So the Trustees have changed the rules around how long dependents may stay on the CWBP benefits after the member's death.

- If a working member dies, the family may continue to use the accumulated hour bank for up to six months, so they have a comfortable period of time to arrange other coverage. If the member has been self-paying, the family may continue to pay for six months.
- If a retired member dies and the spouse is still receiving a pension, the spouse may remain on retiree benefits as long as the pension continues.

Premium assistance: Do you qualify?

Premium assistance is available to Canadian citizens and landed immigrants who have held that status and been resident in Canada for the past 12 consecutive months.

The assistance varies according to your net income (or a couple's combined net income) for the past two tax years, minus deductions for age, family size and disability. See the chart below for full details of premium assistance rates.

Adjusted net income	Subsidy	One person	Family of two	Family of three or more
\$ 0 – \$16,000	Full premium assistance	\$ 0.00	\$ 0.00	\$ 0.00
\$16,001 – \$18,000	80% premium assistance	10.80	19.20	21.60
\$18,001 – \$20,000	60% premium assistance	21.60	38.40	43.20
\$20,001 – \$22,000	40% premium assistance	32.40	57.60	64.80
\$22,001 – \$24,000	20% premium assistance	43.20	76.80	86.40
Over \$24,000	No subsidy	54.00	96.00	108.00

To apply for premium assistance, complete and mail the attached premium assistance form to MSP.

3 We are returning the hour bank cap to where it was in 1989

The maximum hour bank will be capped at 1,200 hours. This will provide one year of full coverage.

4 Eligibility for self-payment packages will change

Right now, we provide heavily-subsidized coverage from the Benefit Plan to people who have not worked Union in over a decade. Our first priority has to be to serve those members who work Union, not those who are working non-Union or in other employment.

From May 1, 2003, to be eligible to make self-payments, you must either:

- be retired or receiving a CPP disability pension, or
- have at least one month of employer-paid coverage (that is, 100 hours accumulated within an 11 month period) every 18 months.

In other words, once you have run out of hours in your bank, you can self-pay for 18 months after the last month of employer-paid coverage. Otherwise, your coverage under the Carpenters' Benefit Plan will end. (This limit doesn't apply if you are retired or receiving a CPP disability pension.) Those on WCB full wage replacement benefits may apply to the Trustees for an extension beyond 18 months of self-payment.

We will mail information about other sources of benefits to those members who will be terminated from the Benefit Plan at April 30, 2003.

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Fill in this form to apply for premium assistance



Ministry of Health Services
Medical Services Plan (MSP)

Mailing Address:
PO Box 9035 Stn Prov Govt
Victoria BC V8W 9E3

Telephone:
Vancouver 604 683-7151
Victoria 250 382-8406
Other Areas
Within BC 1 800 663-7100
www.healthservices.gov.bc.ca/msp

PRINT NAME AND ADDRESS	PREMIUM ASSISTANCE INFORMATION
	ACCT NUMBER OR PERSONAL HEALTH NUMBER
	DATE
	DOC TYPE 1PA

Personal information on this form is collected under the authority of the *Medicare Protection Act*. The information will be used to determine eligibility for premium assistance and may also be used to determine entitlement to other Ministry of Health Services benefits, or to benefits under the Healthy Kids program. If you have any questions about the collection of this information, contact an MSP client service representative at the address or telephone numbers shown above. Personal information is protected from unauthorized use and disclosure in accordance with the *Freedom of Information and Protection of Privacy Act* and may be disclosed only as provided by that Act.

Questions regarding the Healthy Kids program should be directed to that program at 1 800 748-1144.

Regular Premium Assistance
Regular premium assistance is offered if the Adjusted Net Income for the previous year is \$24,000 or less. To apply for this assistance, a person must complete and sign an application. An application is on page 2.

Temporary Premium Assistance
Temporary premium assistance is offered to those who are unable to pay premiums because of unexpected financial hardship. To qualify, applicants must provide information which shows they are unable to pay their premiums and could not reasonably have budgeted to do so. A temporary premium assistance application is available upon request.

Who Can Apply?
Assistance is available only to persons who, for the last 12 consecutive months, have been resident in Canada and been a Canadian citizen or holder of permanent resident status (landed immigrant).

Income Verification
Each year, with the written consent of the applicant, MSP verifies income information with the Canada Customs and Revenue Agency to ensure applicants are receiving the level of assistance for which they are eligible. If required, MSP premium rates are adjusted upward or downward as of the date assistance is effective. If your rate is adjusted, you will be advised. To ensure that verification can take place, income tax returns must be filed under the name and birth date on record with MSP.

Important
If you return this application and qualify for a subsidy, in most cases you will continue to receive premium assistance (without having to re-apply) until you advise MSP that your income has changed or MSP determines that you are no longer eligible. If you would prefer to re-apply for premium assistance each year because your income fluctuates, please advise. A recipient who claims attendant or nursing home expenses in place of disability or whose signature is a witnessed mark will be issued an application each year.

MONTHLY RATES - MAY 1, 2002					
FIVE LEVELS OF ASSISTANCE, BASED ON ADJUSTED NET INCOME FOR THE PREVIOUS YEAR, ARE AVAILABLE					
ADJUSTED NET INCOME	ONE PERSON	FAMILY OF TWO	FAMILY OF 3 OR MORE		
\$ 0 - \$16,000	100% premium assistance	0.00	0.00		
\$16,001 - \$18,000	80% premium assistance	10.80	19.20	21.60	
\$18,001 - \$20,000	60% premium assistance	21.60	38.40	43.20	
\$20,001 - \$22,000	40% premium assistance	32.40	57.60	64.80	
\$22,001 - \$24,000	20% premium assistance	43.20	76.80	86.40	
Over \$24,000	FULL RATE	54.00	96.00	108.00	
Rates are subject to change.					

At A Glance

What won't change...

- Dental-Optical-Hearing Aid Coverage (includes eye exams)
- Extended Health Care Benefits
- Number of hours required for a month of coverage (100)
- Number of hours required to qualify for coverage (200)
- Life Insurance
- Spouse's Death Benefit
- Employee Assistance Program

If you have employer-paid coverage (including coverage while drawing down your hour bank), you will also see no change to:

- Wage Indemnity
- Hour Bank Credits during WI, WCB or EI
- Jury Duty Benefit
- Bereavement Leave

What will change...

Effective May 1, 2003:

- The Benefit Plan will no longer pay Medical Services Plan premiums.
- Widows or widowers of deceased members will receive longer benefit coverage.
- Hour bank cap will change from 1,600 hours to 1,200 hours.
- Self-payment rate subsidies will end, except for those receiving a CPP disability pension or WCB wage replacement benefits.
- Self-payment packages will be cancelled 18 months after the last month of coverage paid through employer hours. There is no limit on self-payment if you are retired or receiving a CPP disability pension.

- The self-payment packages will no longer include wage replacement programs and hour bank credits.
- Shortage of Hours billings will be calculated differently.
- Travel Assistance Program rules will be updated.
- The Individual Benefit Plan self-pay package will be cancelled. (This measure affects four members.)

