

Your Guide to 1st choice

1st choice

A benefits program for managers and non-union employees

Alberta
PERSONNEL
ADMINISTRATION OFFICE

1st choice

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Your Guide to 1st choice

This booklet gives you an overview of the group benefits package for Government of Alberta managers and non-union employees. It describes the benefit plans included in the program and how they work. It also provides definitions and explains terms and conditions such as eligibility for coverage and cost sharing.

1st choice includes the:

- Group Life Insurance Plan,
- Long Term Disability Income Continuance (LTDI) Plan,
- Dental Plan,
- Prescription Drug Plan,
- Extended Medical Plan, and
- Alberta Health Care Insurance Plan.

These benefits are an important part of your total compensation. They provide security and contribute to the quality of life for you and your family.

The information in this employee benefits kit will help you choose the benefits coverage that is right for *you*.

This information could be important to you and your family. Please review it carefully and keep it in a safe place for future reference. From time to time some of the information may be updated. The appropriate replacement pages will be provided to you so you may keep your kit up-to-date.

If you have any questions, please contact your Ministry Human Resources Office.

If there is any discrepancy between the descriptions provided in this kit and the actual insurance policies and other governing documents, the terms of the formal policies and plan documents will prevail.

Benefits Overview

1st choice allows you to choose benefit coverage levels that best meet your own and your family's needs. The premiums are cost-shared between the employer and the employee.

The following table summarizes the choices available to you and the cost-sharing arrangements of the premiums for the 1st choice benefit plans.

| Group Life Insurance Plan | Choices | Cost Sharing |
|------------------------------------|--|---|
| • Core Life and Accident Insurance | Core coverage of 1 or 2.5 times salary; maximum \$400,000. Minimum mandatory coverage is 1 times salary. | 2/3 employer, 1/3 employee |
| • Enhanced Life Insurance | Optional coverage of 1, 2, 3 or 4 times salary; maximum \$600,000. | 100% employee |
| • Dependent Life Insurance | Optional coverage. | 100% employee |
| • Retiree Life Insurance | Paid-up coverage upon retirement or cessation of employment with specified years of service. | Funded from Core Life Insurance premiums. |

| Long Term Disability Income Continuance (LTDI) Plan | Choice | Cost Sharing |
|---|--|---------------|
| <ul style="list-style-type: none"> • Core coverage | Coverage is mandatory after a period of service. | 100% employer |

| Dental Plan | Choices | Cost Sharing |
|-------------|---|---|
| | <ul style="list-style-type: none"> • Core coverage | 100% employer |
| | <ul style="list-style-type: none"> • Enhanced coverage | Employer contributes the same premium amount as under Core and employee pays a premium. |
| | <ul style="list-style-type: none"> • Opt-out/no coverage | |

| Prescription Drug Plan | Choices | Cost Sharing |
|------------------------|---|---|
| | <ul style="list-style-type: none"> • Core coverage | 50% employer, 50% employee |
| | <ul style="list-style-type: none"> • Enhanced coverage | Employer contributes the same premium amount as under Core and employee pays a premium. |
| | <ul style="list-style-type: none"> • Opt-out/no coverage | |

| Extended Medical Benefits Plan | Choices | Cost Sharing |
|--------------------------------|---|---|
| | <ul style="list-style-type: none"> • Core coverage | 50% employer, 50% employee |
| | <ul style="list-style-type: none"> • Enhanced coverage | Employer contributes the same premium amount as under Core and employee pays a premium. |
| | <ul style="list-style-type: none"> • Opt-out/no coverage | |

| | | |
|------------------------------------|---|----------------------------|
| Alberta Health Care Insurance Plan | Choice | Cost Sharing |
| | <ul style="list-style-type: none"> Coverage provided if not otherwise insured. | 50% employer, 50% employee |

Information describing the Alberta Health Care Insurance Plan is not included in this kit. This program provides universal health care coverage for Albertans. If you require information on this coverage, please contact the Alberta Health Care Insurance Plan.

Eligibility for Coverage

Coverage in the health plans, except the Long Term Disability Income Continuance (LTDI) Plan, will commence in the first full calendar month of employment or transfer into the plan. (Coverage will not be established retroactively when you transfer from another plan.) If you commence on the first working day of the month, your coverage will be in place immediately and the applicable monthly premium will be deducted from your first month end salary.

If you commence on the second work day or later, your coverage will be in place the first of the next month and the applicable monthly premium will be deducted from your second month end salary.

Permanent salaried employees are eligible and automatically covered for the LTDI Plan after three months of continuous employment with no periods of General Illness. Temporary salaried employees are eligible for the LTDI Plan following one year of continuous employment.

Core Life and Accident Insurance is mandatory upon commencement of employment.

If you do not enrol in the other benefits upon commencement, you will be able to enrol at the next Choice Time, if a Life Event occurs, or if you lose coverage under your spouse's or benefit partner's plan(s).

Enrolment

To enrol in the 1st choice benefits program, complete and submit an "Enrolment Form for Non-Union Employees." Upon initial enrolment you may:

- enrol in Core Life Insurance without having to provide medical information (evidence of insurability) to the insurer. Insurance of 1x salary is the minimum mandatory amount of life insurance for all employees.
- enrol in Dependent Life insurance coverage;
- apply for Enhanced Life Insurance through providing the insurer with evidence of insurability;
- enrol in any level of Dental, Prescription Drugs and Extended Medical Benefits coverage or select Opt-out/no coverage;
- enrol in the group Alberta Health Care Insurance Plan.

Note: If you do not enrol or Opt-out, you will be without coverage in the benefits plan.

Effective Date of Coverage

Coverage in the health plans, except the Long Term Disability Income Continuance (LTDI) Plan, will commence in the first full calendar month of employment or transfer into the plan. (Coverage will not be established retroactively when you transfer from another plan.) If you commence on the first

working day of the month, your coverage will be in place immediately and the applicable monthly premium will be deducted from your first month end salary.

If you commence on the second work day or later, your coverage will be in place the first of the next month and the applicable monthly premium will be deducted from your second month end salary.

Coverage Class

The coverage class is either **Single** or **Family**. When covered under a Health Benefit Plan, you will be covered for one coverage class. The Health Benefit Plans are: Dental, Prescription Drugs, Extended Medical Benefits and Alberta Health Care.

- **Single**
You are the sole person covered by the benefit plan in which you have enrolled for this coverage class.
- **Family**
You and your spouse or benefit partner and/or dependent children are covered by the benefit plan in which you enrol for this coverage class. You must also enrol your spouse or benefit partner and/or children in order for their coverage to be in force.

You may change between the Single and Family classes of coverage at any time, including a Choice Time or following the occurrence of a Life Event (refer to Summary: Changing Your Choice on page 11).

When changing from Single to Family coverage, you must enrol all eligible family members in order for them to be covered.

Level of Coverage

A level of coverage is the benefit coverage in which you are enrolled and the plan provides one or more coverages which are higher or lower within the same plan.

- **Group Life Insurance**
There are six levels of coverage ranging from the minimum Core coverage of 1x salary to Enhanced coverage of 4x salary. Examples of increasing one level of coverage are to move from 2.5x salary under the Core coverage to 1x salary under Enhanced coverage or to move from 2x to 3x salary under the Enhanced coverage. You may move up more than one level if evidence of insurability satisfactory to the insurer is provided. You may decrease by more than one level of insurance at any time so long as you maintain a minimum level of Core Life insurance of 1x salary.
- **Health Benefit Plans**
There are three levels of coverage under the Dental, Prescription Drugs and Enhanced Medical Benefits Plans. These are Core, Enhanced and Opt-out/no coverage.

To increase one level is to move from Opt-out/no coverage to Core or from Core to Enhanced.

To increase two levels is to move from Opt-out/no coverage to Enhanced.

To decrease one level is to move from Enhanced to Core or from Core to Opt-out/no coverage.

The foregoing information should be useful when you review the employee information booklet on each individual plan.

Definitions

Spouse

- a person of the opposite sex:
 - to whom you are legally married; and
 - who is under age 70 (health benefit plans only).

Benefit Partner

- is a person with whom the eligible employee is currently cohabitating:
 - who is not related by blood or adoption and with whom the eligible employee has been in an adult interdependent relationship for a continuous period of at least twenty-four months and the eligible employee has declared in writing to be a benefit partner; or
 - who is not related by blood or adoption and with whom the eligible employee has been in an adult interdependent relationship for a continuous period of at least thirty-six months; or
 - who has entered into an adult interdependent partner agreement with the eligible employee under the *Adult Interdependent Relationships Act*; or
 - who is in an adult interdependent relationship with the eligible employee and there is a child of the relationship by birth or adoption; and
 - who is under age 70.

Only one adult relationship (spouse or benefit partner) will be recognized for benefits coverage.

Dependent Child

- your unmarried child or unmarried child of your spouse or benefit partner who is:
 - under age 21; or
 - under age 25 and a full-time student at an accredited educational institute, college or university; or
 - any age, incapable of self-sustaining employment because of a disability and is wholly or substantially dependent on you for financial support and maintenance.

The unmarried child of your benefit partner becomes eligible for health benefits coverage at the same time as the benefit partner is eligible.

Guardian Child

- an unmarried dependent child who is:
 - under age 21 and a person for whom you are the legal guardian; or
 - under age 25 and a full-time student at an accredited educational institute, college or university, provided that you were appointed legal guardian prior to the child's 21st birthday; or
 - any age, incapable of self-sustaining employment because of a disability, is wholly or substantially dependent on you for financial support and maintenance, and for whom you are the court-appointed legal guardian.

Legal Guardian means:

- a guardian appointed by court order; or
- a guardian appointed by the will of a deceased parent of the child; or
- a person who has on-going custody of the child with the consent of the child's parent(s)

Changing Your Choice

After you have been enrolled in 1st choice, you may subsequently change your choice when:

- there is a Choice Time;
- a Life Event occurred and you request a change in coverage right after the event occurs;
- evidence of Insurability that you submitted resulted in you being approved for additional life insurance;
- you request, at any time, to decrease your life insurance or opt out of the Dependent Life Insurance coverage;
- lose Health Benefit Plan coverage under your spouse's or benefit partner's plan.

In order for the 1st choice benefits plans to be financially viable, employees participate and change coverage based on rules common to all employees in

the group. At the same time, flexibility has been built into the program to provide for periodic changes to recognize employees needs change over time and to allow changes when a major life event occurs or coverage is lost under a spouse's or benefit partner's plan which create an immediate need for change in either the level or class (single or family) of coverage.

Choice Times

A Choice Time occurs during the spring every two years. Choice Times occur in each odd-numbered year (for example, 2005, 2007, and so on.)

At each Choice Time you will be given an opportunity to review and change your benefits coverage, subject to the following rules:

- **Core Life Insurance** — you may increase from the insurance level of 1x to 2.5x salary with evidence of insurability. You may decrease coverage from 2.5x to 1x your salary.
- **Dependent Life Insurance** — you may opt in if you do not have this coverage.
- **Enhanced Life Insurance** — you may apply for Enhanced coverage or a higher level of coverage by submitting evidence of insurability to the Insurer. You may decrease your level of Enhanced coverage.
- **Health Benefit Plans**
 - **Dental Plan** — you may increase one or two levels of coverage from Opt-out/no coverage to Core or Enhanced, or Core to Enhanced at each Choice Time.

You may decrease one level of coverage only when you have been at your current level of coverage for one Choice Time past the time you enrolled at this level. For example, if you chose the Enhanced coverage in the Dental Plan in 2003, you would have to wait until 2007 to reduce your coverage to the Core coverage. You would then have to continue

in the Core coverage until 2011 before you could opt out to no coverage. You may not decrease by two levels at the same time.

- **Extended Medical Benefits and Prescription Drug Plans** — you may increase one or two levels of coverage from Opt-out/no coverage to Core or Enhanced, or Core to Enhanced at each Choice Time.

You may decrease one level of coverage from Core to Opt-out/no coverage or from Enhanced to Core at each Choice Time.

Life Event

A Life Event occurs on:

- marriage or meeting the requirements for a benefit partner;
- divorce or death of a spouse, or loss of a benefit partner;
- birth, adoption or guardianship of a first child;
- change in your child's eligibility; or
- dependent child's loss of coverage under the other parent's benefits plans.

By applying to your Department Human Resources Office within 31 days following the occurrence of a Life Event, you may change your level of coverage for:

- **Core Life or Enhanced Life Insurance** — increase one level of coverage above your current level of life insurance (some increases in life insurance coverage require evidence of insurability — refer to Summary: Changing Your Choice on page 11).
- **Dependent Life Insurance** — you may obtain this coverage for a life event — refer to Summary: Changing Your Choice on page 11.
- **Health Benefit Plans** — you may increase one or two levels of coverage which includes moving from Opt-out/no coverage to Core or Enhanced coverage and Core to Enhanced coverage.

Evidence of Insurability

Evidence of insurability is a process of submitting medical information to the Insurance Company to apply for a higher level of Core or Enhanced Life Insurance coverage. It is used only under the Group Life Insurance Plan.

- If you are approved for the additional level(s) of life insurance coverage that you have applied for, the higher coverage commences at the time it is approved and the additional premiums for the higher coverage commence to be deducted from your salary.
- If your application is not approved, all the coverage applied for through evidence of insurability is denied. All other life insurance in force before the application remains in force.

Lose Plan Coverage Under Spouse's or Benefit Partner's Plan

If you, for any reason, lose coverage as a spouse or partner under your spouse's or benefit partner's health benefit plan(s) you may apply for Core or Enhanced coverage in the 1st choice health benefit plans. Your application for this coverage must be made within 31 days of your loss of spousal coverage, to your Department Human Resources Office. If you have Core or Enhanced Single coverage, you may change to Family coverage. You may decrease your coverage in the health benefit plans only at a subsequent Choice Time.

Decrease Life Insurance

You may decrease your level of Core and/or Enhanced Life insurance, to not less than the mandatory Core coverage of 1x salary, at any time. You may also drop your Dependent Life Insurance coverage at any time. If you subsequently wish to obtain some or all of the cancelled coverage, you must meet the requirements for increasing coverage.

Termination of Coverage

Your 1st choice benefits coverage, excluding LTDI, ceases at the end of the calendar month of your:

- termination of employment;
- transfer to a position which is not included in the group eligible for 1st choice benefits;
- 70th birthday; or
- death.

You may opt out of some Core and Enhanced coverage while employed based on certain benefit plan conditions.

Your LTDI Plan coverage ends on the earliest of your:

- termination of employment;
- transfer to a position which is not included in the group eligible for 1st choice benefits;
- 65th birthday; or
- death.

Coverage for a dependent under the Dependent Life Insurance and the Extended Medical Benefits, Prescription Drug and Dental Plans ends on:

- your termination of coverage; or
- when the dependent is no longer a spouse, benefit partner or child as defined under the plan.

You may cancel Dependent Life Insurance when you no longer have any dependents.

You may also change from Family to Single coverage under the Health Plans (Dental, Prescription Drug and Extended Medical Benefits).

Summary: Changing Your Choice

| 1 st choice Benefits Plans | Anytime | Choice Time | Life Event (gain a spouse, benefit partner, or first child) | Life Event (lose a spouse, or benefit partner, or dependent child's loss of coverage) | Lose Coverage Under Spouse's or Benefit Partner's Plan or Change in Child's Eligibility |
|---|-------------------------------------|--|---|---|---|
| Core Life & Accident Insurance | Increase with evidence or decrease. | Increase with evidence or decrease. | Increase one level without evidence. | Increase one level without evidence. | Increase with evidence or decrease. |
| Enhanced Life Insurance | Increase with evidence or decrease. | Increase with evidence or decrease. | Increase one level without evidence or more than one level with evidence. | Increase one level without evidence. | Increase with evidence or decrease. |
| Dependent Life Insurance | May cancel coverage. | Enrol in coverage. | Enrol in coverage. | Enrol in coverage. | May cancel coverage. |
| Health Benefit Plans | | | | | |
| Dental | No change allowed. | Increase one or two levels. Decrease one level if one Choice Time has passed. | Increase one or two levels. | Increase one or two levels. | Increase one or two levels. |
| Prescription Drug Extended Medical Benefits | No change allowed. | Increase one or two levels. Decrease coverage by one level. | Increase one or two levels. | Increase one or two levels. | Increase one or two levels. |
| Change between Single and Family Class | Yes. | Yes. | Yes. | Yes. | Yes. |

