

### LEGAL RIGHTS RESERVED

This manual contains general information concerning the benefits provided under the Public Servants Group Insurance Plan. All legal rights with respect to benefits under the Group Insurance Plans are governed by the Master Policies issued by the Great-West Life Assurance Company Limited and in the event of any variation between this summary and the provisions of the policies, the Master Policies will prevail.

## History of the Plan

The Group Insurance Plan for employees of the Province of Manitoba began on May 1, 1960. It is underwritten by The Canada Life Assurance Company and administered by the Civil Service Superannuation Board. The Dependents Insurance Plan was added April 1, 1962.

Departmental employees of the Civil Service (casual and seasonal employees) were brought under the Plan on September 1, 1967.

Favourable claims experience resulted in bonus insurance and, where the employee qualified, a nominal amount of Paid-Up Insurance when insurance was terminated at age 65. These benefits were introduced in May, 1968, without increased premium payments.

Term employees who have worked continuously for 12 months were brought under the Plan on July 1, 1970.

Effective the first day of the pay period including July 1, 1974, the amount of insurance under the Group Life Insurance Plan was increased to one, two or three times the employee's salary at the employee's option, up to a maximum of \$50,000. Employees who take early retirement were permitted to continue 50% of their insurance to age 65, reducing to 25% of their insurance until age 70. At age 70, the insurance reduces to \$1,000. A retiring employee may elect to take \$1,000 of insurance without further contributions at retirement or at any time thereafter prior to age 70. An Accidental Death and Dismemberment Insurance Plan began on the first day of the pay period including July 1, 1974.

Effective the first day of the pay period including May 1, 1977, the Dependents Group Life Insurance Plan was revised to provide \$10,000 insurance on the spouse and \$2,000 on each eligible child. The revised Plan allows retiring employees at their option to continue reduced amounts of Dependents Insurance to age 70.

Effective January 1, 1979, the Dependents Group Life Insurance Plan was changed to provide insurance based on the age of the dependent as well as to terminate at the earlier of the employee or the insured reaching age 70. The rate was also increased from 87¢ bi-weekly to \$1.03 bi-weekly (\$1.90 to \$2.24/month).

Favourable claims experience resulted in the introduction on July 1, 1979 of increased maximums under the Life Insurance Plan to bring the amount of insurance available at Class III to \$75,000.

In addition to increased maximums at each Class, there was an additional amount of 7% to be paid in the event of death claims. Also, a dividend of 10% was introduced to a maximum of \$5,000. The 10% dividend terminated May 31, 1981, and following that, a 5% dividend was paid on death claims prior to July 1, 1984. The Accidental Death and Disablement benefits were also increased to correspond to new maximums excluding the 7% and 10% additional amounts.

On July 1, 1984, more improvements to the Group Life Insurance Plan were introduced. The maximum insurance at each of the existing Classes was increased so that at Class III the maximum was \$112,500 and a higher Class IV became available to provide insurance based on four times (4X) an employee's salary to a maximum of \$150,000. Also, payment of a dividend was reintroduced on a revised basis. The dividend payable on claims from July 1, 1984 to April 30, 1992 was equal to 10% of the exact amount of insurance in force on June 30, 1984, to a maximum of \$8,025, or for new employees, 10% of the insurance initially provided. Insurance for employees who attain age 51 or older reduced on January 1st of each year. A new formula for insurance following retirement was also introduced. There were no changes made to the Accidental Death and Disablement Insurance or Dependents Insurance Plans on July 1, 1984.

As a result of favourable claims experience since 1984, further improvements were introduced effective May 1, 1992. The maximum insurance available at each Class was increased and a fifth Class was introduced so that at Class V, the maximum insurance available is 5 x \$70,000 (maximum salary) or \$350,000. The first four Classes of insurance remain cost shared (employee/employer) while the fifth Class is all employee paid. The dividend and the minimum test were eliminated from the Plan. The Plan was also improved to increase the age from 51 to 56 at which time insurance commences to reduce based on the employees age on January 1st of each year. Paid up insurance policies were also increased from \$1,000 to \$1,500 for all retired employees. No changes were made to the Accidental Death and Disablement Plan. The Dependents Insurance Plan was improved to provide enhanced optional coverage for eligible dependents (spouse/children). The Dependents Insurance Plan now permits the following choices:

1. No Dependents Insurance
2. Spouse \$15,000, each eligible child \$3,000
3. Spouse \$30,000, each eligible child \$6,000
4. Spouse \$45,000, each eligible child \$9,000
5. Spouse \$60,000, each eligible child \$12,000

Employees are allowed to continue reduced Dependents Insurance into retirement.

As the beneficiary could be adversely affected if less than the maximum amount of insurance is obtained, the Group Life Insurance Plan has been designed so that each employee will be insured for the maximum amount of insurance. An employee can always decrease the Class of Life Insurance by informing payroll/personnel; but increases in the Class of insurance can only be done by providing evidence of insurability that is satisfactory to the Insurance Company.

Effective May 1, 1999, improvements were made to all three insurance plans. These changes were made primarily because of favourable claims experience, but also because a decision to use less conservative assumptions to set contribution rates was made.

The improvements included:

1. The elimination of a maximum salary \$70,000 recognized for Life Insurance.
2. An increased maximum Life Insurance of \$1,000,000.
3. Age reductions beginning at age 65 rather than age 56 for employee Life Insurance.
4. Reduction for Retirement Life Insurance occurring every five years rather than every year.
5. Paid-up Life Insurance increased from \$1,500 to \$3,000.
6. Reduced contributions for both Life and Accidental Death and Disablement Insurance.
7. Lower reductions for Dependents Insurance.
8. Elimination of coverage under any of the old insurance plans. All members insured under those plans automatically became insured under the new plan.

On August 1, 2004, The Great-West Life Assurance Company purchased The Canada Life Assurance Company and is now The Insurance Company. Effective December 6, 2004, improvements were made to the paid-up life insurance amount and the dependent insurance plan.

The improvements included:

1. Paid-up Life Insurance increased from \$3,000 to \$4,500.
2. The dependents insurance coverage increased per Unit for a spouse from \$15,000 to \$17,500 and for all eligible children per Unit from \$3,000 to \$3,500.

## Using This Manual

The information in this manual is assembled according to each event which requires your action and is likely to occur with one or more of your employees. Each event forms a separate section in this manual. In most cases, a section will include a POLICY section and PROCEDURE section, whenever applicable. The "Forms" section of the manual has BLANK FORMS and SAMPLES of completed forms. WE WILL PROVIDE YOU WITH A SUPPLY OF SOME OF THE FORMS. FOR THE REMAINDER OF FORMS, YOU ARE EXPECTED TO PHOTOCOPY THE FORM FROM THE MANUAL.

This manual assumes participation in the Program.

In this manual, words in singular include the plural and vice versa where the context so requires. The representative of a participating employer who is responsible for handling the administration of the Program has been referred to as "you" or "the employer" throughout this manual. This may include a personnel manager, payroll officer, or administrator. You are strongly urged to keep a copy of any form or letter which you send to the Board office. By doing this, you will have a copy to refer to in case questions arise.

This manual makes reference to a number of forms and contains only one blank of each. Do not write on any of the blanks. They are to be used only to photocopy your own supply of forms as you need them in future, unless stated otherwise.

The procedures set out in this manual should answer any questions which arise. If any additional assistance is required or if you are faced with a situation that is not covered in this manual, please contact the Board staff at:

The Civil Service Superannuation Board  
1200-444 St. Mary Ave.  
Winnipeg MB R3C 3T1  
Phone: 946-3200 (Winnipeg)  
Toll Free: 1-800-432-5134 (in Manitoba only)  
FAX: 945-0237

**NOTE:** This manual is the property of The Civil Service Superannuation Board and is to remain in the office of the participating employer. A new manual will not be issued when the person responsible for using the manual changes.

## Summary of Plan Benefits

### 3. Dependents Insurance (optional)

The amount of insurance available on the life of an eligible dependent is based on the number of units chosen. There are four Units available offering insurance as follows:

	Number of Units			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Spouse under age 65	\$17,500	\$35,000	\$52,500	\$70,000
Each Child	3,500	7,000	10,500	14,000

Dependents Insurance terminates at the earlier of either the employee or the dependent reaching age 70.

It is possible for both spouses, each contributing to the Dependents Plan, to insure each other and their children.

When an employee becomes eligible for Life Insurance, but does not have dependents, they must complete a form opting out of the Dependents Plan. The employee should also be informed that they may later insure newly acquired dependents by notifying their payroll office within 90 days.

It is the employer's responsibility to provide brochures and information as well as to explain details and answer any questions that may arise concerning the Insurance Plans to new employees.

## Registering A New Employee

### 4. Calculation Of Annual Salary And Insurance

#### i) Calculation Of Annual Salary

Salary includes all permanent entitlements which are subject to Superannuation (excludes Northern Allowance, Overtime, Call Duty Allowance, etc.).

##### Bi-weekly

26.1 x bi-weekly rate then rounded to the nearest thousand (Minimum \$5,000).

##### Hourly (or daily)

52.2 x primary hourly (or daily) rate x the regular hours (or days) for one week, as stated in the applicable agreement, then rounded to the nearest thousand (Minimum \$5,000).

##### Irregular hours

Annual salary should be based on prior year earnings, rounded to the nearest thousand (Minimum \$10,000).

##### Irregular hours (first year of employment)

Annual salary should be based on either the annual salary of a comparable position or a reasonable projection of earnings for the year, rounded to the nearest thousand (Minimum \$10,000).

NOTE: The minimum annual salary recognized for Life Insurance is \$5,000 with the exception of irregularly paid part-time employees for whom the minimum annual salary recognized is \$10,000.

#### ii) Calculation Of Insurance

##### Life Insurance Prior to Age 65

Annual salary x selected Class. A Class is a multiple of annual salary.

Examples

<u>Annual Salary</u>	<u>Class</u>	<u>Insurance</u>
\$20,000	1	\$20,000 x 1 = \$ 20,000
30,499	2	30,000 x 2 = 60,000
40,500	3	41,000 x 3 = 123,000
50,501	4	51,000 x 4 = 204,000
70,000	5	70,000 x 5 = 350,000
80,000	5	80,000 x 5 = 400,000

Life Insurance After Age 64

For employees age 64 or more, insurance reduces on January 1st based on age attained in the prior year.

Annual salary x factor (based on attained age and selected class as per the following factor table)

Factor Table:

<u>Attained Age</u>	<u>Class</u>				
	1	2	3	4	5
64 or less	1.000	2.000	3.000	4.000	5.000
65 to 69	.750	1.500	2.250	3.000	3.750
70 to 74	.625	1.250	1.875	2.500	3.125
75 or older	\$4,500 of coverage (regardless of insurance class), with no further contributions				

Example: Birthdate = June 3, 1934  
 Annual salary= \$56,491  
 Class = 5

Insurance from January 1, 2000 to December 31, 2004 =  
 \$56,000 x 3.750 = \$210,000

NOTE: The factor is based on age. Insurance reduces on the employee's birth date.

Accidental Death and Disablement Plan

<u>Life Insurance Class</u>	<u>Insurance Calculation</u>	<u>Maximum Insurance</u>
1	1 x annual salary	\$25,000
2	2 x annual salary	50,000
3, 4 or 5	3 x annual salary	75,000



Dependents Insurance Plan

Insurance is based on chosen Unit. No calculation is required.

<u># of Units</u>	<u>Bi-Weekly Employee Cost</u>	<u>Insurance on Spouse</u>	<u>Insurance on Each Eligible Child</u>
1	\$1.60	\$17,500	\$3,500
2	\$3.20	\$35,000	\$7,000
3	\$4.80	\$52,500	\$10,500
4	\$6.40	\$70,000	\$14,000

## A. Waiver of Contributions

Any employee under age 65, retiring due to disability, terminating due to ill health or injury, or in receipt of Long Term Disability benefits (TD ALL), may apply to have their Life and Dependents Insurance (if applicable) continued without payment of contributions, providing they are totally and permanently disabled in the opinion of the Insurance Company.

If approved, the insurance remains in effect for as long as they remain disabled or until their 65th birthday, whichever is earlier.

At age 65, the waiver of contributions terminates and the employee's insurance, if in receipt of a pension from the Board, is determined as if they had retired on their 65th birthday. Contributions will automatically be deducted from their pension. (See Section 6.B - Retirement)

At age 65, if an employee is not in receipt of a pension from the Board, they may continue reduced Life and Dependents (if applicable) Insurance, determined as if they had retired on their 65th birthday, by paying contributions by post dated personal cheques to the Board each month. This insurance would continue to age 73 when it reduces to \$4,500. Election to reduce insurance to \$4,500 can be made prior to age 73 by completing the applicable form available at the Board office.

The Insurance Company may also require that the disabled employee annually submit a "Proof of Continuance of Disability Claim" form.

In the event an employee's application for waiver of contributions is denied, and provided they have terminated employment, the employee has the right to convert their insurance to an individual policy with the Great-West Life Assurance Company. If waiver is denied and the employee has retired, reduced retirement insurance can be carried into retirement with contributions deducted from the monthly pension.

Arrangements for conversion are the responsibility of the employee.  
(See Section 6.C - Conversion)

Dependents Insurance, if applicable, also remains in effect as outlined above or until the dependent reaches age 70, whichever is earlier.

Also at 65, if the employee is in receipt of a pension from the Board, Dependents Insurance (if applicable) reduces and continues in effect until either the employee or dependent reaches age 70. Contributions are deducted automatically from their pension. (See Section 6.B - Retirement)

If an employee is granted a Total and Permanent Disability pension by the Board, the approval for a waiver of contributions is automatic. If the disability is due to an accident, the employee may qualify for an additional benefit under the Accidental Death and Disablement Plan subject to approval by the Insurance Company. Accidental Death and Disablement insurance is not eligible for Disability Waiver.

## PROCEDURES

### Forms:

- 930 - Application for the Total Disability Benefit Under Group Life Policy  
- Claimant Statement and Policyholder/Employer Statement
- 1048 - Application for Group Disability Benefits - Attending Physician's Statement
- 1536 - Beneficiary Designation Form
- 3965 - Dependents Insurance card (Orange card)
- 7425 - Employee Group Insurance Appointment and Election Statement (Green or Tan card)
- 8001 - Group Life Insurance and Dependents Insurance Appointment and Election Statement OR 3965 (old card)
- 8002 - Application for Changes to Dependents' Insurance
- 8003 - Application for Changes in Life Insurance Class
- 8008 - Insurance Waiver Application

### Required Actions:

#### A) Employees Approved for CSSB Partial Disability Pension

1. The Board will advise employer of disability pension approval.
2. Employer should provide the employee with form 930 for completion of Claimant Statement and return to the employer.
3. Employer should complete forms 930 (Policyholder/Employer Statement) and 8008.
4. Employer should take copies of all above forms plus all insurance election and change forms (including Dependents Insurance) and file copies in employee's file.
5. Employer should forward originals of above forms and a copy of employees' birth certificate to the Board.
6. Employer should continue to make applicable contributions for employee's insurance until advised of approval for a partial disability pension by the Board.
7. The Board will forward application to Insurance Company.
8. Insurance Company will advise the Board of approval or denial in writing.
9. The Board will advise the employee, in writing, with carbon copy to employer, of approval or denial.
10. Employer should file copy of letter in employee's file.

B) Employees Approved for CSSB Total Disability Pension - Waiver Approval Automatic

1. The Board will advise employer of disability pension approval.
2. Employer should complete forms 930 (Policyholder/Employer Statement) and 8008.
3. Employer should take copies of all above forms plus all insurance election and change forms (including Dependents Insurance) and file copies in employee's file.
4. Employer should forward originals of above forms and a copy of employees' birth certificate to the Board.
5. Employer should continue to make applicable contributions for employee's insurance until advised of approval for a pension by the Board
6. The Board will advise employee, in writing, of approval with carbon copy to employer.
7. Employer should file copy of letter in employee's file.

C) Employees Who Have Terminated Due To Ill Health, Are Receiving Long Term Disability Benefits, Or Not Approved For A Pension From The Board

1. Employer should provide employee with forms 930 (Claimant Statement) and 1048 for completion and return to employer.
2. Employer should complete forms 930 (Policyholder/Employer Statement) and 8008.
3. Employer should take copies of all applicable forms (including election and change forms - ie. 7425 or 8001, 3965, etc.) and file copies in employee's file.
4. Employer should forward originals of above forms and a copy of the employees' birth certificate to the Board.
5. Employer should continue to make applicable contributions for employee's insurance until advised of approval for a pension by the Board
6. The Board will forward the application to the Insurance Company who will advise the Board of approval or denial in writing.
7. The Board will advise employee, in writing, of approval or denial with a copy to employer.
8. Employer should file copy of letter in employee's file.

## B. Retirement

To be eligible for insurance in retirement, the participating employee must either be:

- a) eligible for a pension from the Civil Service Superannuation Fund, MLA Plan, Teachers Retirement Allowance Fund, Workers Compensation Board, or
- b) is a participating employee in the Insurance Plan(s) but not one of the above pension plans and has terminated at age 65 or later. Employers should notify the Board of employees who terminate at age 65 or later and have insurance, but have never been members of one of the above pension plans.

### 1. LIFE INSURANCE

Life Insurance protection is provided after retirement for all Insurance Classes. There is an initial reduction in insurance at retirement and continuing reductions each year thereafter as age increases, until it reaches \$4,500 (usually age 73) at which time no further contributions are required. The amount of insurance is arrived at by multiplying the percentage (from Chart 1) based on the employee's age by the "amount" of the employee's insurance at retirement.

<u>Attained Age of Retired Employee</u>	<u>Insurance Protection</u>
Under 60	75% of "amount"
60 through 64	60% of "amount"
65 through 69	40% of "amount"
70 through 72	15% of "amount"
73 and over	\$4,500

The Board will inform each retiring employee of their options regarding Life and Dependents Insurance. They will be provided with a computerized print-out explaining the insurance available.

Contributions should be deducted by the employer to ensure there is no lapse in the insurance at retirement. When the insurance information is received from the employer, the Board will adjust the contributions for the first month of retirement accordingly.

Contributions for Life Insurance in retirement will be calculated by the Board and automatically deducted from the monthly pension. The contribution is based on the insurance in force.

Instead of continuing reducing retirement insurance, a "Paid-Up" policy of \$4,500 may be selected at, or anytime during retirement. The Paid-Up policy provides \$4,500 of insurance on the life of the pensioner at no further cost. However, once they have elected the \$4,500 Paid-Up insurance, they can not later reverse that decision. Employees should be referred to the Board office.

2. DEPENDENTS INSURANCE

Dependents Insurance may be continued at reduced amounts for all units during retirement until either the employee or their dependent reaches age 70, at which time Dependents Insurance ceases.

	Number of Units			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Spouse	\$8,750	\$17,500	\$26,250	\$35,000
Each Child	\$1,750	\$3,500	\$5,250	\$7,000
 Monthly Contribution	 \$3.48	 \$6.96	 \$10.44	 \$13.92

Dependents Insurance terminates at the earlier of either the member or the dependent reaching age 70.

Contributions for Dependents Insurance will be calculated by the Board and automatically deducted from the monthly pension. The contribution is \$3.48 monthly per unit of insurance. Instead of continuing Dependents Insurance during retirement, an employee may elect to cancel; however, once cancelled, they cannot later reapply. In all cases, employees should be referred to the Board office.

At the time of retirement, any reduction in Life or Dependents Insurance, may be converted to a private policy(ies) with the Canada Life Assurance Company (certain time limits apply - See Section 6.C - Conversion).

3. ACCIDENTAL DEATH AND DISABLEMENT INSURANCE

Accidental Death And Disablement Insurance is not available after retirement nor are there any conversion privileges.

Forms Required

8006 - Group Life Insurance Retirement Notice.

Required Actions:

1. Employer should direct employee to the Board office for retirement insurance information.
2. Employer should complete form 8006.
3. Employer should file copy of form 8006 in employee's file.
4. Employer should copy all insurance forms in the employee's file and file copy(ies) in employee's file.
5. Employer should forward originals of all insurance forms in the employee's file to the Board office.

# Public Service Group Insurance Fund

## Application for Changes to Dependents Insurance

**Personal Information – To be answered in full by employee, please print**

Name of Employee \_\_\_\_\_  
(Last Name) (Given Names in Full)

Employee Number \_\_\_\_\_ SIN \_\_\_\_\_ Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_  
YY MM DD

**Application for Changes to Dependents' Insurance**

I hereby apply for Dependents Life Insurance which insures my eligible dependents as selected below. I understand that the Dependents Insurance Plan does not insure spouses age 70 or over\*. I also authorize my employer to make the necessary deductions from my earnings. I understand that the insurance payable on the death of an eligible dependent will be payable to me if living, otherwise to my Estate.

I hereby apply for Dependents Life Insurance as indicated below (a selection MUST be made by placing an "X" in the appropriate space):

<input type="checkbox"/> <b>1 Unit</b> (Spouse \$17,500* Each Eligible Child \$3,500*)	<input type="checkbox"/> <b>2 Units</b> (Spouse \$35,000* Each Eligible Child \$7,000*)	<input type="checkbox"/> <b>3 Units</b> (Spouse \$52,500* Each Eligible Child \$10,500*)	<input type="checkbox"/> <b>4 Units - Maximum</b> (Spouse \$70,000* Each Eligible Child \$14,000*)
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\* see the Dependents Insurance section of the Group Insurance Information booklet for eligibility requirements

I am aware that if I elected "No Dependents Coverage" at the time of eligibility or if I chose less than the maximum of 4 Units, I will have to provide my employer with medical evidence of insurability that is satisfactory to The Insurance Company if at a later date I wish to insure these eligible dependents or increase the Units. Any costs incurred in providing evidence of insurability will be at my expense. I am also aware that if I presently do not have eligible dependents or I previously opted out of the Dependents Insurance Plan, I may insure newly acquired eligible dependents without providing evidence of insurability if I notify my employer within 90 days of acquiring the eligible dependent. Any changes to the above must be initiated by the employee.

Employees wishing to insure a common-law spouse should contact their employer for the required forms.

Dependents (including spouse) – all eligible dependents must be listed	Relationship to Life Insured	Birthdate
_____	_____	____/____/____
_____	_____	____/____/____
_____	_____	____/____/____ YY MM DD

_____ Signature of Insured Member	_____ Date
_____ Witness to the Above Signature	_____ Date

**Application to Cancel Dependents' Insurance**

I hereby elect to cancel Dependents' Insurance on all my eligible dependents.

_____ Signature of Insured Member	_____ Date
_____ Witness to the Above Signature	_____ Date