

# BCTF/BCSTA *Admin Guide* 2022

Administrative Guidelines for Group Life Insurance

# Table of Contents

<b>Table of Contents</b>	<b>2</b>
<b>Introduction</b>	<b>4</b>
Disclaimer	4
Contact Information	4
Overview: Managing the Group Life Insurance Plan	6
<i>Admin Guide 2022: What's New?</i>	8
<b>1. Enrolling Members to the Plan</b>	<b>9</b>
1.a. Eligibility	9
1.b. Enrolment	10
1.c. Beneficiary Designation	11
1.d. Actively at Work Provision Explained	11
1.e. Appeal Process for Declined Life Benefits	12
<b>2. Terminating Members from the Plan</b>	<b>13</b>
2.a. Termination	13
2.a.i. Temporary Contract Workers	13
2.a. ii. Teachers Accepting a Temporary Non-Teaching Position	14
2.b. Conversion Privilege (converting lost group insurance to individual insurance)	15
<b>3. Premium Payment</b>	<b>17</b>
3.a. Premium Payment Procedures	17
3.b. Premium Holidays Explained	17
3.b.i Full Premium Holidays	17
3.b.ii Partial Premium Holidays	17
<b>4. Life Claims</b>	<b>19</b>
<b>5. Special Situations</b>	<b>21</b>
5.a. Employees with Terminal Illness: Compassionate Assistance	21

5.b. Disabled Employees: Waiver of Premium Benefit	22
5.c. Leave of Absence	25
5.c.i. Partial Leaves of Absence	26
5.c. ii. If Group Life Insurance is to Continue During the Leave of Absence	26
5.c.iii. When Group Life Insurance Ends During the Leave of Absence	26
5.c. iv. At the End of the Leave of Absence	27
5.d. Employees Working Past Normal Retirement Age: Coverage Reduction	27
<b>6. Audits</b>	<b>29</b>
6.a. Maintaining Accurate Records	29
6.b. Enrolment Audits	29
6.c. Waiver of Premium Audits	30
<b>Appendix 1: Draft Memorandum for Terminating Employees</b>	<b>32</b>
<b>Appendix 2: Billing Template and Instructions</b>	<b>33</b>
<b>Appendix 3: Forms</b>	<b>34</b>
<b>Appendix 4: Manulife’s Waiver of Premium (WOP) Claims Process</b>	<b>35</b>
<b>Appendix 5: Manulife’s Administration of Optional Life Insurance Coverage</b>	<b>36</b>

## Introduction

We are pleased to provide the eleventh annual edition of the *Admin Guide*. Each year we update portions of this guide, to reflect:

- changes to the BCTF/BCSTA Group Life Plan;
- common questions and feedback from Plan administrators; and
- input from the Insurance Committee.

For a summary of the more important updates please see “*Admin Guide 2022: What’s New?*” section. This guide will continue to be periodically updated so that all parts of it stay current. We expect to update the *Admin Guide* and distribute it via email to administrators each year and at any point during the year when there is an update or when we are notified of a new administrator. We will send a copy of the *Admin Guide* out even in years when there are no changes to ensure that the *Admin Guide* is not forgotten.

There was no update in 2021. Five new school districts (also known as SDs) joined in 2020 with plan design and administrative differences from the current 30 school districts. Aon and the Insurance Committee have had discussions regarding the possibility of seeking more conformity with the rest of the Plan, but ultimately, any changes at the new school districts must be ones they authorize and conform with their own Collective Agreements.

## Disclaimer

Contract provisions will change from time to time and there is a possibility that the *Admin Guide* update will lag the contractual change. The *Admin Guide* interprets the BCTF/BCSTA contract with Manulife. However, this is not a Manulife document. Should there be a discrepancy between the Manulife Plan contract and this guide, the contract would override the *Admin Guide*.

## Contact Information

Life claims should be directed to Manulife’s Quebec office, by mail, courier, email, or fax:

By Mail:  
Manulife  
PO Box 400 STN PLACE-D’ARMES  
Montreal, QC H2Y 3H1  
Tel: 1-877-481-9169  
Fax: 1-866-292-9050  
Email: [group\\_disability\\_claims@manulife.ca](mailto:group_disability_claims@manulife.ca)

By Courier:  
Manulife  
Attn: Group Life Claims  
2000 Mansfield, Suite 220  
Montreal QC H3A 2Y8

Life claim questions may be directed to Manulife at:

Tracey Boulay  
Life Claims Assessor  
Tel: 1-877-481-9169 ext. 214082  
Email: [tracey\\_boulay@manulife.ca](mailto:tracey_boulay@manulife.ca)  
Office hours: 3:00am - 11:00am PST

Plan administrators or beneficiaries with general questions about their open claim, or who are opening a claim, can also call Manulife’s Life and Disability Claim team’s call centre toll-free number (1-877-481-9169) from Monday to Friday, 8:00 a.m. to 5:00 p.m. PST.

In addition, Manulife's Group Benefits Customer Service Representatives (CSRs) are available Monday to Friday, from 8:00 a.m. to 5:00 p.m. PST to respond to inquiries received through our toll-free number (1-866-318-2727). CSRs can answer general questions about life coverage.

Please submit the Life Waiver of Premium forms to Manulife by email, mail, or fax:

Manulife Group Benefits  
Wellness, Disability & Life  
PO BOX 800 STN Waterloo  
WATERLOO ON N2J 4C2  
Tel: 1-877-481-9169 or (519) 747-7000  
Fax: 1-866-677-4215 or (519) 579-3680  
Email: [group\\_disability\\_claims@manulife.com](mailto:group_disability_claims@manulife.com)

Please submit the monthly premium payment to Manulife by EFT/Wire transfer or Online Banking. Premiums statements can be sent via email to [GB Wires Capture@manulife.ca](mailto:GB_Wires_Capture@manulife.ca) or via the 'Send files' on the Plan Administrator website.

General administration questions, life claim questions when the Halifax Office is closed or questions regarding Manulife forms, procedures and their Administration Guide can be directed to Manulife's office in Vancouver.

Karen Tomkins  
Account Executive  
Tel: 604-678-1622 or 1-800-663-0443 ext. 211622  
Email: [Karen\\_tomkins@manulife.ca](mailto:Karen_tomkins@manulife.ca)  
Office hours: 8:00am - 4:00pm PST  
\*Available after hours on mobile - 778-772-3173

Please direct your questions to Kevin Pielle if you have not received the latest *Admin Guide* update or if you require e-copies of the employee brochures:

Kevin Pielle, Administrative Assistant  
Aon  
Suite 1200, 401 West Georgia Street  
Vancouver, BC V6B 5A1  
Tel: 604.443.3382  
[kevin.pielle@aon.com](mailto:kevin.pielle@aon.com)

If you have any questions regarding the *Admin Guide* content or if you need a second source of information on plan details and administration, you can direct your questions to Florence Chiu or Ramsha Khan.

Florence Chiu, Consultant  
Aon  
Suite 1200, 401 West Georgia Street  
Vancouver, BC V6B 5A1  
Tel: 604.443.3358  
[florence.chiu@aon.ca](mailto:florence.chiu@aon.ca)

Ramsha Khan, Actuarial Analyst  
Aon  
Suite 1200, 401 West Georgia Street  
Vancouver, BC V6B 5A1  
Tel: 604.443.2449  
[ramsha.khan@aon.ca](mailto:ramsha.khan@aon.ca)

Manulife and Aon employees are mostly working under a hybrid model (combination of working from home and working in the office). You may reach them most easily via email.

## Overview: Managing the Group Life Insurance Plan

The operation of the BCTF/BCSTA Group Life Insurance Plan involves four parties. The Insurance Committee, Aon, Manulife and participating school districts all work closely together to ensure that the Plan operates efficiently and in the best interests of all parties. The following paragraphs review the roles and responsibilities of each party.

### Insurance Committee:

The BCTF/BCSTA Insurance Committee consists of six voting members - three representatives from the BCTF and three representatives from the BCSTA. The objective of the Insurance Committee is to ensure that the Group Life Insurance Plan provides the best combination of coverage and price for covered members. To achieve this, the Insurance Committee reviews provisions of the Plan, responds to school district concerns/problems and consults with professional advisors.

The Insurance Committee meets in person or virtually once per year at an Annual General Meeting, to review the financial operation of the Plan and make decisions for the forthcoming year. Other meetings or teleconferences take place as needed. The Insurance Committee is proud of the stable premium rate history of the Plan, as there has not been a premium rate increase since 2005. This allows school districts to budget for their benefits costs with confidence. The Committee has also been pleased to extend premium holidays and rate decreases to participating school districts, when the claims experience has warranted.

The British Columbia Public School Employers' Association (BCPSEA) acts as an administrative and advisory agent of BCSTA. BCPSEA may also assist the Plan in employee data collection. Therefore, please comply with any request for information (such as may occur during the Waiver of Premium audit) from BCPSEA as well.

### Aon Solutions Canada Inc. (Aon):

Aon is an independent professional services firm who has been retained by the BCTF/BCSTA Insurance Committee to provide support with the operation of the Plan. Aon's involvement includes the following:

- managing the financial operation of the Plan, including negotiating and setting premium rates and overseeing the insurance company's reserve requirements;
- liaising with the insurer regarding financial matters, policy changes and administrative issues;
- consulting, advising and making recommendations to the Insurance Committee on issues related to the Plan;
- coordinating the update every two years of the Life Waiver of Premium claims information with the school districts and Manulife/Canada Life (the Waiver of Premium Audit). New Waiver claims with a

date of disability on or after September 1, 2020 will be with Manulife while existing Waivers with earlier dates of disability will remain with the prior carrier (i.e., Canada Life, except for the 5 new School Districts, who will have a different prior carrier. In all cases, Manulife is liable for Waiver of Premium only for new disabilities incurred on or after the plan effective date);

- promoting participation in the Plan;
- facilitating the Insurance Committee's Annual General Meeting and any other Special Meetings;
- a second resource after Manulife to respond to school district inquiries regarding coverage and interpretation of the contract and general policies;
- assisting school districts with problem claims; and
- producing and distributing communication materials to school districts and employees.

### Manulife Financial (Manulife):

The role of the insurance company is to underwrite the benefits plan and assume the financial risk inherent with providing Life Insurance coverage to a group of employees. Manulife has become the underwriter for the BCTF/BCSTA Plan effective September 1, 2020.

In addition, Manulife is responsible for the ongoing administration of the Plan, which includes:

- responding to administrative questions from the School Districts;
- collecting premiums;
- paying Life claims;
- adjudicating Waiver of Premium claims;
- processing amendments;
- calculating premium rates;
- maintaining the insurance policy; and
- investing the funds of the Plan.

### School Districts:

Each participating school district also plays a very important role in the operation of the Plan. The BCTF/BCSTA Group Life Insurance Plan is self-administered, which means school districts are responsible for:

- maintaining up-to-date enrolment records. An original or scanned copy of the beneficiary form is acceptable in the event of Life Insurance or Waiver of Premium claim;
- calculating the correct volume of coverage and premiums each month (including updating the premium rate used if changed at time of renewal on July 1st of each year);
- remitting these premiums to Manulife on a timely basis;
- notifying each retiring or terminating plan participant of their conversion privilege at the earliest opportunity (see further information in Section 2.b. and Appendix 1);
- notifying Manulife within the required time limit in the event of a Life Insurance or Waiver of Premium claim, and assisting a claimant with the filing of a claim; and

- ensuring that any applicable collective agreement agrees with the Plan's Group Life Insurance policy.

If any problems, questions or concerns arise, either Manulife or Aon should be notified immediately so that the proper assistance can be provided.

## *Admin Guide 2022: What's New?*

The following changes were made to the 2022 version of the *Admin Guide*:

- Minor changes to reflect the 12.5% partial premium holiday for the 2022-2023 Plan year
- The Insurance Committee welcomed five new school districts to the Plan effective September 1, 2020. We are still discussing these school districts' plan provisions and administrative practices. We had hoped to include plan details for the school districts joining in 2020, but consultation with these districts is ongoing and is taking more time than expected
- Standard plan rules in some cases do not apply to the five school districts joining in 2020. Their plan provisions will eventually be noted in appendices. For now, any standard rule which may not apply for these five school districts has been denoted with an asterisk
- Canada Life had a rule limiting employees working in excess of 20 hours per week (at another job while on leave of absence from the School District) from remaining on the Plan, but Manulife has no such rule, so this provision has been removed
- Added an Appendix outlining Manulife's Waiver of Premium Claims Process
- Added an Appendix describing Manulife's Administration of Optional Life Insurance Coverage for applicable school districts



# 1. Enrolling Members to the Plan

In this section:

- 1.a. Eligibility
- 1.b. Enrolment
- 1.c. Beneficiary Designation
- 1.d. Actively at Work Provision Explained
- 1.e. Appeal process for Declined Life Benefits

## 1.a. Eligibility

As per the terms of the Group Life Insurance Policy 121260, when a person starts employment with a school district and is in a group participating in the BCTF/BCSTA Plan, they become an insurable employee if they reside in Canada and:

- 1. they have a continuing or temporary contract, as a member of a school district's bargaining unit and a Member or Associate Member of the BCTF; or
- 2. they are employed on a permanent, non-seasonal basis, if they are:
  - a. a member of school district's professional or educational staff, in a teaching, administrative or supervisory function; or
  - b. a member of the BCTF or BCSTA staff; and
  - c. stipulated in the Manulife contract.

If your School District is currently only covering teachers and wishes to cover administrative staff, please inquire with Manulife about the steps required to amend the contract. Aon should also be notified if a new group within your School District wishes to join the Plan.

**What happens if the employee fails to apply within the 31-day time period?**

For school districts in which coverage is mandatory, even if an employee does not apply, they are still covered and must pay premiums accordingly.

In a few school districts the Collective Agreement mandates that Life Insurance is to be offered on a voluntary basis (non-mandatory). Should an employee with this type of Collective Agreement decide not to elect Life coverage when eligible, then later (after the 31-day enrolment period) decide to obtain Life Insurance through this Plan, the employee will have to submit medical evidence along with the application. Manulife will review the medical evidence and could choose to deny coverage.

Plan Administrators in school districts where Life Insurance is not mandatory should make employees aware of this late applicant process when the employees enter their enrolment period. This may be a factor in their decision to elect coverage within the eligibility period.

Non-mandatory Life Insurance is different from Optional Life Insurance. Optional Life Insurance is additional coverage offered to an employee if the employee already has basic Life Insurance. There are two school districts that currently offer Optional Life Insurance (#63 and #81). See Appendix 5 for more details.

Once you determine that an employee is insurable, they are eligible to join the Plan “on the first day of employment coinciding with or next following the date they become an insurable employee” (as per the terms of the Group Life Insurance Policy 121260) \*.

Even for groups where coverage is mandatory, we strongly suggest that every effort is made to enroll the employee within 31 days from the date they become eligible to apply for Life Insurance coverage. As plan administrator you are responsible for providing the employee with enrolment forms in a timely manner (before 31 days of the employee becoming eligible, and preferably much sooner so that the employee has time to complete and return the forms within the 31-day time frame).

The school district’s Collective Agreement can specify if employees may opt out of the BCTF/BCSTA Group Life Insurance Plan (voluntary plan). However, the 2016 audit revealed that not all school districts were administering the plan in accordance with the Collective Agreement. It was found that certain school districts with mandatory participation had either allowed employees to opt out of the plan at enrolment or terminate coverage during parental leave.

Please ensure that the Life benefit for teachers is administered as set out in the Collective Agreement for your school district.

## 1.b. Enrolment

### **Is enrolment mandatory for eligible employees?**

The school district’s Collective Agreement dictates if eligible employees are permitted to opt out of the BCTF/BCSTA Group Life Insurance Plan. Even if the Collective Agreement allows it, opting out is generally not advisable. Requesting coverage later will require submission of medical evidence, and coverage may be declined.

To be covered under the BCTF/BCSTA Group Life Insurance Plan, an employee and the school district as the employer must complete Manulife’s Application for Group Coverage form [GL5637E (121260)] for school districts with mandatory participation and for school districts with optional participation. You will need to complete the Plan Sponsor Statement (Section 1), and the employee needs to complete the following sections:

- Section 2: Plan Member Information,
- Section 3/4: Beneficiary Designation,
- Section 5: Trustee Appointment (if any beneficiary is a minor), and
- Section 6: Declarations and Authorizations (only signing and dating required).

This form must be completed, signed and dated in ink by the employee within 31 days of the date the employee becomes eligible for benefits. It is important to keep the original enrolment form for each eligible employee. Digital copies or a photocopy of the original form will be accepted by Manulife in the event of a Life claim and the claim will be processed accordingly.

### **Getting the right form**

Manulife has several forms to document the administration of the Plan. Some are unique to the Plan, such as those that reference the 45-day conversion period and others are generic in that they are used by many other Manulife clients. Each form number is referenced within this document (see Appendix 3). Please ensure that the forms that you use match the form number. Generic and customized forms will also be available on the Manulife Plan Administrator website.

At a minimum of once a year, we suggest an enrolment audit be performed to confirm that no eligible employee was omitted from enrolment under the Plan or that any individual who is no longer eligible is not still covered by the Plan. This would also be a good time to check the beneficiary section of the Application form to ensure that this was completed at the time of hire and that the form is signed and dated in ink.

#### **Is it still necessary to retain hard copies of enrolment forms?**

Although Manulife accepts digital copies of original forms, employers are still encouraged to collect and retain the original form. This is to protect against the possibility that the beneficiary designation is either challenged or non-decipherable.

For these reasons, we suggest the safest course of action is for each school district to retain hard copy enrolment forms. In the event of a claim, we suggest faxing or emailing a copy of the form to Manulife and retaining the original.

Enrolment forms and any other forms confirming the most recent beneficiary information should be kept on file. It is important to maintain accurate records to prevent any delay in processing and settling Life claims. These forms can be helpful long after an employee has left your school district. Circumstances can arise where a claim can be made many years after an employee was thought to have left a school district.

We **do not** recommend converting hard copy enrolment forms to e-files, then destroying the originals.

As with the enrolment form, each Group Coverage Change form must be kept on file even after the employee leaves, for at least as long as government legislation mandates.

### **1.c. Beneficiary Designation**

A single Application for Group Coverage form is used regardless if Life coverage is mandatory or non-mandatory at the school district. Included in the Group Coverage form is the Beneficiary Designation section. If an employee is appointing a minor as a beneficiary, complications can occur at the time of a claim unless a trustee/administrator is appointed. It is recommended that the employee consult with a legal advisor and with any proposed trustee/administrator. If an employee designates a minor as a beneficiary, they can appoint a trustee using the same application form. The form needs to be completed, signed and dated in ink and returned to you as it will be required in the event of a Life claim.

If an employee wishes to change their beneficiary, they need to complete Manulife's Application for Group Coverage form [GL5637E (121260)]. You should complete Section 1, and the employee should complete the remaining applicable section(s) at the time of the change and the employee must sign and date the form in ink. The form should then be kept with their original application form.

For school districts with Optional Life, a separate application form [GL5636E (121260)] with medical evidence of insurability (Application for Insurance and EOI GL3940E) is required to apply for coverage (regardless of when the employee applies).

### **1.d. Actively at Work Provision Explained**

For the purposes of your BCTF/BCSTA Group Life Insurance coverage with Manulife, an employee must be fully capable of performing the regular duties of their occupation and must be actually working at their usual place of employment or a place where their employer requires them to work (including the time up to one week before Labour Day when they are performing voluntary preparation work) in order to be

considered actively at work. The only exceptions to this definition are when an employee is absent from work due to vacation, weekends, statutory holidays or shift variances – in these situations, an employee is still considered to be actively at work providing they are capable of performing the duties of their job.

This actively at work provision comes into play frequently in group insurance:

- when a new employee is hired, the employee must be actively at work on the date their insurance coverage is scheduled to take effect, otherwise they are not covered under the BCTF/BCSTA benefits plan until actively at work;
- when there is an increase in the amount of an employee's insurance coverage, the employee must be actively at work on the date their insurance coverage is scheduled to increase, otherwise the change does not take effect until they are actively at work;
- however, the insurance face amount can reduce for employees not actively at work. Events triggering a reduction are restricted for disabled employees (who are in receipt of Waiver of Premium benefits) to age related reductions only (as discussed in greater detail in Section 5.b.);
- when an employee becomes disabled, the date of disability will be based on the date the employee was last actively at work;
- when an employee leaves your school district, the date of termination of their insurance coverage, and the following period during which they can convert their coverage to an individual insurance policy, takes into account the date the employee was last actively at work;
- when there is a change of insurance carriers, the incoming or new insurance company requires an employee to be actively at work before they will be covered under the new insurance company's policy; and
- whenever there is a Life claim under the policy, the actively at work provision is verified by the insurer before benefits are payable.

## 1.e. Appeal Process for Declined Life Benefits

A person, beneficiary or estate has the right to appeal a denial of all or part of the insurance or benefits described in the policy. If a claimant or beneficiary disagrees with Manulife's decision, they may request a review of the claim in writing. The written request for consideration should include the reason for disagreement and any medical information or documentation not previously submitted.

The written request should be submitted within 90 days from the date of Manulife's letter. It is important to note that Manulife Financial will not consider/review any appeals which are submitted one year after the date of their letter.

Appeals are reviewed by Manulife's Associate Manager and completed/reviewed within 30 days of receipt.

## 2. Terminating Members from the Plan

In this section:

- 2.a. Termination
- 2.a.i. Temporary contract workers
- 2.a.ii. Teachers accepting a temporary non-teaching position
- 2.b. Conversion Privilege

### 2.a. Termination

When an employee terminates employment with your school district, their Group Life insurance also terminates (unless the employee is disabled and has qualified for the Life Waiver of Premium benefit). As plan administrator, you are responsible for making sure such insurance terminates according to the terms of the Policy and that your terminating employee is notified in writing of such termination. As a reminder, under the BCTF/BCSTA Policy No 121260, an employee's insurance terminates on the earliest of the following dates:

- the date the Group Life insurance policy terminates; or
- the last day of the month in which the employee is no longer an insurable employee (employed on a permanent, non-seasonal basis).

Please note that there is no termination age under the BCTF/BCSTA Policy No 121260 for the school districts who participated in the Plan prior to September 1, 2020.

#### 2.a.i. Temporary Contract Workers

An exception to the above set of rules impacts Temporary contract teachers during the summer months who are not Teachers Teaching on Call (TTOC). TTOCs are not covered by the Plan\* (two new school districts, #63 and #74, are possible exceptions to this rule).

Effective June 1, 2006 it was clarified that summer coverage **will not** be extended to:

- teachers who retire as of the end of June; or
- teachers who leave the profession and/or who are leaving the BC Public School system.

In such cases, the policy wording is clear that Life Insurance coverage will terminate at the end of the month worked.

However, Life insurance coverage **will** continue during the summer months of July and August under Manulife's Life Insurance Policy for:

- temporary contract teachers whose teaching contracts with the school district terminate in June and who intend to return the following September, i.e., they either:
  - have a new teaching contract by June 30th; or
  - have not submitted notification that they are retiring, leaving the profession and/or leaving the BC Public School System.

Coverage for teachers who fall into the second category above will terminate as of August 31st, unless a new teaching contract is secured. We suggest plan administrators wait until the end of the first or second week of September to send out conversion notices to those teachers for whom coverage was extended to August 31st. However, conversion notices should not be sent later than September 15th and should stress that the 45-day conversion cannot be exercised any later than October 15th. This way, terminating teachers are still provided with at least 30 days notice to convert their Life Insurance.

### **The Ten-Month Insurance Year**

School districts are given the option of remitting premium on a twelve-month basis or on a ten-month basis. Virtually all school districts have elected to submit premium on a ten-month basis to align more closely with the teachers' pay periods. Under the ten-month payment basis, June, July and August combined are defined as the final insurance "month" of the 10 - month year under the BCTF/BCSTA Plan. (All other months are the same as calendar months.) Temporary contract teachers who terminate in June without a new contract can be continued to the end of the insurance month (i.e., August 31st). Therefore, the 45-day conversion period does not expire until October 15th.

## **2.a. ii. Teachers Accepting a Temporary Non-Teaching Position**

A teacher may accept a temporary non-teaching, administrative position such as Principal. If the administrators are also covered under the BCTF/BCSTA Plan, then Life benefits continue. However, if a teacher accepts a non-teaching position, and if the BCTF/BCSTA Plan does NOT cover administrators in the same school district, then the former teacher will have to leave the BCTF/BCSTA Plan not later than after one year at the non-teaching position. Such an employee is not permitted to be covered under a different plan for Life benefits in addition to the BCTF/BCSTA Plan during this period of up to one year.

Conversion privilege information should continue to go out in the normal manner for other teachers (or covered administrators) whose Group Life coverage has ended. However, plan administrators may need to amend their standard letter or information package to reflect the extended period in which to exercise the conversion.

## 2.b. Conversion Privilege (converting lost group insurance to individual insurance)

### **The concept of Life Insurance conversion**

Terminating and retiring employees may still have a need for Life insurance but may not be entering a new job with group Life benefits. Healthy individuals will be able to obtain individual Life insurance at a favourable cost by submitting medical evidence of their good health to the insurer. However, individuals who have health issues may face high premiums or may even be refused coverage. The conversion privilege allows employees to obtain insurance at a reasonable cost without having to submit medical evidence. Regardless of an employee's state of health, they should be encouraged at termination to submit medical evidence and obtain a Life insurance quote without conversion prior to going through the conversion process. Reasonably healthy individuals will be able to obtain better rates for comparable insurance than if they had converted.

An employee may convert an amount of BCTF/BCSTA Group Life Insurance to individual insurance without submitting evidence of insurability subject to the following conditions:

- All or part of the employee's Life insurance under the Plan terminates. (An example of a "partial termination" is the reduction in the face amount of insurance after the employee reaches normal retirement age.)
- The employee must apply for the individual policy in writing and Manulife must receive the first premium within 45 days after the insurance terminates.
- If the insurance terminates for an employee disabled under the Canada Life contract, the employee must have been continuously insured under the employer's group life plan for the last five years. (For those disabled under the Manulife contract, there is no five-year requirement – conversion is allowed for all employees who have insurance terminating at the end of a disability period.)

The amount which may be converted at termination is the lesser of the terminating Group Life coverage or \$200,000.

There is both an information sheet and a form for Group Life conversion specific to the BCTF/BCSTA Group Life Plan as follows:

- Manulife's Group Life Conversion information sheet and application form [Form GL5625E (121260)]

The Conversion Notification form should be completed by you (i.e., the plan administrator) and provided to the terminating employee. A signed copy should be kept on file.

For more information (other than rates, which are outlined on the form) about applying for conversion of your employee's group life coverage to an individual policy, the employee should be encouraged to contact Manulife directly at their Customer Service Centre: 1-800-268-6195.

As noted above, a healthy employee may find it more financially advantageous to purchase an individual life insurance policy subject to medical evidence rather than to convert their group life insurance. If the employee would like more information, one option is for the employee to contact Manulife's Individual Life Services Centre at: 1-888-MANULIFE (1-888-626-8543), or within Quebec 1-888-MANUVIE (1-888-626-

8843). The employee can also visit [www.mynextchapter.ca](http://www.mynextchapter.ca). Please note that the standard conversion period of 31 days stated on the website does not apply. The conversion period is 45 days for this Plan.

In Appendix 1 we provide sample wording for an additional memo for terminating employees to accompany the above information sheet and form.

**Why are both the Manulife form and the Appendix 1 form required to be completed?**

There is some overlap between these two forms. The Manulife Notification is an insurer required form. The BCTF/BCSTA Plan form is needed to ensure that you have a record that the employee was notified of their conversion privilege. The employee signed form is necessary for your legal protection.

An eligible employee can convert to one of three forms of insurance, depending on their age:

- Permanent life insurance – available to any age;
- Non-convertible term life insurance to age 65 – coverage remains in effect for until age 65 and then terminates, with no option to convert to lifetime coverage;
- convertible term life for 1 year – available to any age and covers the insured person from the issue date for 1 full year. During that time, the member may convert it to one of the other options above.

Each conversion represents a cost to the Plan; nevertheless, each terminating employee MUST be informed of their conversion privilege. As the plan administrator, it is your responsibility to communicate the conversion provision on a timely basis. The terminating employee will require time to apply and forward the required premium to Manulife, should the employee elect to convert their Life Insurance. For your protection, it is essential that you obtain the employee's written confirmation that you advised them of this right. This confirmation (that the employee received notice of their right to convert the Group Life Insurance to an individual policy) needs to be kept long after the employee's termination. Former employees or their beneficiaries could commence legal action, if there was no evidence the employee was advised of their conversion privilege.

Note that once the conversion period has expired, the employee will not have the opportunity to convert as Manulife will not accommodate any requests for extensions beyond the 45-day period.

There have been instances of employees electing to retire in late June but not advising their School District until the following September. Employees who backdate their retirements are treated differently than temporary contract workers who are not retiring. As the retired employee's conversion period started in late June and expired 45 days later, Manulife is not able to offer the conversion privilege in September to these employees.



## 3. Premium Payment

In this section:

- 3.a. Premium Payment Procedures
- 3.b. Premium Holidays Explained
  - 3.b.i Full Premium Holidays
  - 3.b.ii Partial Premium Holidays

### 3.a. Premium Payment Procedures

Any administrator currently remitting premium by cheque is strongly encouraged to remit via Electronic Funds Transfer (EFT), Wire transfer or Online banking. Mailed in cheques have been arriving late. Payments received late lead to financial and other consequences.

Please submit monthly premium payment to Manulife by EFT/Wire transfer or Online Banking. Premiums statements can be sent via email to [GB\\_Wires\\_Capture@manulife.ca](mailto:GB_Wires_Capture@manulife.ca) or via the 'Send files' on the Plan Administrator website.

The billing template was sent to school districts along with instructions on how to complete the template. The template and instructions are included in Appendix 2.

### 3.b. Premium Holidays Explained

#### 3.b.i Full Premium Holidays

For each month of a full premium holiday, the Plan Administrator continues to complete Manulife's Group Insurance monthly premium statement remittance form, including details on number of covered employees, total Life Insurance volume, coverage premium rate and total premium that would normally be due. The only difference from a regular remittance is that no remittance is submitted with the monthly premium statement remittance form to Manulife and no payroll deduction is made if employees pay any portion of the premium.

The most recent full premium holidays occurred in the two-month period of October and November 2001.

#### 3.b.ii Partial Premium Holidays

For each month of a partial premium holiday, the Plan Administrator again continues to complete and submit the Manulife monthly premium statement remittance form. However, the Plan Administrator must also remit and submit a remittance form; but, the remittance total is reduced by the amount of the partial premium holiday. **For the July 1, 2022 to June 30, 2023 Plan year, the partial premium holiday is 12.5%, so the remittance is to be reduced by 12.5% of the total premium.** Your school district's cost (and, if applicable, the employees' cost) will be reduced by the amount of the partial premium holiday during the 2022/2023 Plan Year. The remittance template will calculate both the full premium (prior to application of the premium holiday) and the amount payable (after calculating the premium holiday). Please take care to ensure that the reduced amount is paid to Manulife.

A partial premium holiday is different than a premium rate reduction. With a premium rate reduction, the full amount of premium is submitted to the insurer, but the amount is lower than before due to the reduced premium rate. A premium rate reduction or partial premium holiday usually remains in effect until the next renewal date, whereas a full premium holiday may only be for a stated number of months in the policy year.

The Insurance Committee had authorized partial premium holidays for twelve of the last thirteen years from July 1, 2009 to June 30, 2022:

- partial premium holidays of 15.0% took place for five straight years (July 2009 to June 2014);
- this was followed by a partial premium holiday of 12.5% for the July 2014 to June 2015 Plan year;
- the July 2015 to June 2016 Plan year partial premium holiday was increased to 14.5%;
- the partial premium holiday was increased to 18.0% for the July 2016 to June 2017 Plan year;
- there was no partial premium holiday in the July 2017 to June 2018 year;
- there was a 25% partial premium holiday in the July 2018 to June 2019 year; and
- partial premium holiday of 12.5% took place for three straight years (July 2019 to June 2022).

As most groups remit on a 10-month basis, the premium holidays typically start in September instead of July.

For budgeting purposes, school districts may assume that a premium rate reduction is ongoing. However, a premium holiday is a temporary measure. No budgeting reduction should be made for the future year's Life Insurance premium. In other words, the premium rate and monthly premium is not reduced by a premium holiday for budgeting/forecasting purposes. Partial premium holidays could change or cease in a future year.

## 4. Life Claims

### **Please contact Manulife**

It may be very important to the beneficiary for a Life claim to be settled quickly. Therefore, please contact Manulife when initiating a claim, using the contact details listed in the Introduction. We have been advised that several Plan Administrators have contacted the BCTF instead. The BCTF/BCSTA Life Plan is separate from the BCTF Salary Indemnity Plan. As such, the BCTF is not equipped to assist you with Life benefit questions or with processing a Life claim.

In the event of an employee's death, Life claim documents need to be completed before the Life claim payment can be processed.

Once the death notification is received, the first step is to identify to whom the life claim is payable. Locate the deceased employee's enrolment form (and subsequent beneficiary change forms, if applicable) to identify if a beneficiary was designated. You must keep completed enrolment forms (and change forms, if applicable) for all active employees. When filing a Life Waiver of Premium claim for an employee, the Plan Sponsor Statement (GL5448E) must be sent to Manulife and a copy retained for your records. If a death claim is subsequently incurred, the copy of the enrolment form must be sent to the insurer. If a beneficiary was designated on the enrolment form (and change forms, if applicable) and is still alive, this person will be the payee. If there is no beneficiary designation or the beneficiary is no longer alive, the Life claim will be payable to the estate of the deceased, unless a contingent beneficiary was designated and is alive at the time of the employee's death. If a beneficiary was designated but the designation is found to be invalid, the claim is typically paid into court and a lawyer would likely contact you to advise you of the death. If there is a Will and that Will specifically mentions how the proceeds from the Manulife Group Life Insurance policy are to be allocated, then an executor of the Will would typically contact you.

The next step is submitting the Life Claim Form (GL5449E). This form must be filled out and submitted to the insurer for payment. Forms can be obtained from Manulife under the forms section of the Manulife Plan Administrator Website. You can submit the form directly to Manulife without the claimant's portion being completed and communicate with the claimant to submit their portion directly. This practice will help expedite Manulife's review process and eliminate any privacy issues if there is any information that the claimant may prefer not to share with the school district. If Manulife requires any further documentation to process the claim, they will reach out to you or the claimant directly. If you have any questions regarding the completion of the claim form, please contact Manulife. In the event that there is more than one beneficiary, each must complete a separate Claimant Statement, and each will be considered a separate claim. It is possible for claims to be paid at different times if there are delays in receiving documentation – i.e., a beneficiary who has submitted their Claimant Statement will not have payment delayed because another beneficiary has not yet submitted the document.

If the employee was on Waiver of Premium and notification of death was not received, the Waiver of Premium audit should eventually uncover any unreported deaths that might have occurred during the past two years. However, if you uncover such a case at a time other than during the audit, you should immediately coordinate the Life claim with the beneficiary or executor, as outlined in the previous paragraph. For this reason, keeping enrollment forms long after an employee has left your organization is advisable.

### **Doctor assisted suicide**

In 2016, medical assistance in dying became legal across Canada, provided patients meet a number of criteria, including experiencing intolerable suffering due to a grievous and incurable condition.

Manulife will pay a valid claim arising from medically assisted suicide of a Plan member.

Life claims should be directed to Manulife's Quebec office, by mail, courier, email, or fax:

By Mail:  
Manulife  
PO Box 400 STN PLACE-D'ARMES  
Montreal, QC H2Y 3H1  
Tel: 1-877-481-9169  
Fax: 1-866-292-9050  
Email: [group\\_disability\\_claims@manulife.ca](mailto:group_disability_claims@manulife.ca)

By Courier:  
Manulife  
Attn: Group Life Claims  
2000 Mansfield, Suite 220  
Montreal QC H3A 2Y8

Life claim questions may be directed to Manulife at:

Tracey Boulay  
Life Claims Assessor  
Tel: 1-877-481-9169 ext. 214082  
Email: [tracey\\_boulay@manulife.ca](mailto:tracey_boulay@manulife.ca)  
Office hours: 3:00am - 11:00am PST

Plan administrators or beneficiaries with general questions about their open claim, or who are opening a claim, can also call Manulife's Life and Disability Claim team's call centre toll-free number (1-877-481-9169) from Monday to Friday, 8:00 a.m. to 5:00 p.m. PST.

In addition, Manulife's Group Benefits Customer Service Representatives (CSRs) are available Monday to Friday, from 8:00 a.m. to 5:00 p.m. PST to respond to inquiries received through our toll-free number (1-866-318-2727). CSRs can answer general questions about life coverage.

## 5. Special Situations

In this section:

- 5.a. Employees with Terminal Illness – Compassionate Assistance Loan
- 5.b. Disabled Employees – Waiver of Premium
- 5.c. Leave of Absence
  - 5.c.i. Partial Leaves of Absence
  - 5.c.ii. If Group Life Insurance is to Continue During the Leave of Absence
  - 5.c.iii. When Group Life Insurance Ends During the Leave of Absence
  - 5.c.iv. At the End of the Leave of Absence
- 5.d. Employees Working Past Retirement Age – Coverage Reduction

### 5.a. Employees with Terminal Illness: Compassionate Assistance

Should a covered employee suffer the misfortune of falling terminally ill, they may apply for a loan against the face amount of their Group Life policy. This Compassionate Assistance Loan feature is subject to the following stipulations:

- the employee must be approved for Waiver of Premium unless an exception is granted;
- the employee must not have designated their beneficiary/beneficiaries as “irrevocable”;
- documentation is required from the employee’s physician that death is imminent (within 24 months);
- the employee must be under 62 OR more than three years from retirement, whichever is younger;
- the loan must not exceed the lesser of: (i) \$50,000 and (ii) 50% of the face amount. When determining the maximum loan amount, consideration should be given to any reduction in the employee’s face amount in the upcoming two years; and
- if approved by Manulife, this loan and any applicable interest will reduce the face amount to be paid to the designated Beneficiary or Beneficiaries.

There is no impact to your Life premium rate for offering this Plan feature.

Plan administrators should contact the Plan’s designated Life claims specialist at Manulife to initiate the Compassionate Assistance Loan application process. The application form (GL3399E) needs to be completed.

The Compassionate Assistance Loan is a loan against the proceeds of the Life Insurance benefit. As such, interest will be charged. As mentioned above, the ensuing Life claim face amount will reflect the deduction of the loan amount, leaving the designated beneficiary or beneficiaries with a smaller benefit after a Life claim. It is possible for a situation to arise where the terminally ill employee unexpectedly recovers. In this situation, unless the employee chooses to repay the loan, interest would continue to accrue. The loan principal and interest could eventually reach the same size at the Life Insurance face amount. If this very unlikely event occurs, the Life Insurance offered under the Plan would lapse for this individual.

As the Compassionate Assistance Loan (paid to the terminally ill employee) and the Life benefit (paid to the employee’s beneficiary) are separate, the Administrator will still have to initiate the process for the ensuing Life claim as described in more detail in Section 4.

## 5.b. Disabled Employees: Waiver of Premium Benefit

### **What is Waiver of Premium?**

This is a benefit to employers (and in some cases, employees, if employees pay a portion of their Life insurance premium) that allows Life premiums to be waived for disabled employees provided the rules described below are met. A Group Life claim for an employee approved for Life Waiver will remain Manulife's responsibility for the duration of the Life Waiver even if the Plan terminates and coverage transfers to another carrier.

More precisely, upon approval by the insurer, the Waiver of Premium provision allows Life insurance to continue for "totally disabled" employees without payment of premium. Life insurance coverage will remain in force (and the premium will be waived) until the earliest of the following:

- the employee ceases to be totally disabled;
- July 1st following the employee's 65th birthday; or
- [for most employees,] the date on which the employee is no longer receiving LTD benefits from the teacher's LTD plan for any reason, including resignation and early retirement, if the Waiver of Premium is approved by Manulife on the basis of the employee being approved for LTD benefits under the BCTF LTD plan, administered by another insurer.

Some employees are not teachers and may not be eligible for LTD benefits from the BCTF Salary Indemnity Plan in which case the rule set out in the third bullet above does not apply. These employees can continue to receive Life Waiver of Premium benefits following early resignation and early retirement, subject to bullets 1 and 2 above.

Please submit the Life Waiver of Premium forms by email, mail, or fax to Manulife at:

Manulife Group Benefits  
Wellness, Disability & Life  
PO BOX 800 STN Waterloo  
WATERLOO ON N2J 4C2  
Tel: 1-877-481-9169 or (519) 747-7000  
Fax: 1-866-677-4215 or (519) 579-3680  
Email: [group\\_disability\\_claims@manulife.com](mailto:group_disability_claims@manulife.com)

### **What Happens when an Employee who has Qualified for Life Waiver of Premium Benefits Resigns?**

As noted above, some employees may have their Life Waiver of Premium benefits continued after their resignation. This can complicate the Waiver of Premium audit that takes place every second year. We ask that, whenever possible, you try to remain in contact with any resigned employee remaining on Life Waiver of Premium up to their normal retirement age.

Teaching staff employees are considered totally disabled if unable to perform the duties of their own occupation for the first 24 months of disability and the duties of any occupation thereafter.

For teaching staff covered under the BCTF LTD plan, the 'waiting period' is the same as the waiting period specified for totally disabled employees under the LTD plan. For employees not covered under the BCTF LTD plan, the Waiver of Premium will begin once they have been totally disabled for at least six months.

For teaching staff approved for LTD by the BCTF plan, the only form that is required is the following:

- GL4999E: Plan Sponsor Statement - Condensed

Waiver of Premium forms for teaching staff in all other circumstances and for non-teaching staff:

- GL3293E(VAN): Attending Physician Statement
- GL5448E: Plan Sponsor Statement
- GL5450E: Plan Member Statement

For reasons of privacy, we strongly recommend the employee submit the Plan Member Statement form directly to Manulife. Once the form has been sent to you or the insurer, you should complete the forms applicable to you (listed above) and forward all forms to Manulife so that they may review to determine if the Waiver of Premium claim is supported. Missing information may delay the claim.

It is very important that the completed forms are submitted to Manulife promptly (please refer to Appendix 4 for more details). Life Waiver of Premium benefits may be delayed if these forms are not submitted at least eight weeks prior to the end of the waiting period. The waiver claim should not be submitted after the deadline of six months following the end of the waiting period. There is a 365-day submission deadline after the six months. If forms are submitted after 18 months since the date of disability, the claim would be denied due to late submission.

You have an obligation to ensure that all disabled employees, including those in receipt of Workers' Compensation benefits, receive the claim forms necessary to apply for Waiver of Premium within the required timelines. You should also perform a regular audit of your employees who are not actively at work to ensure that no one is overlooked.

To fund the liability that a Life claim may be paid in the future for individuals approved for Life Waiver, Manulife must set aside a fund (called a Life Waiver reserve). These reserves are funded from paid premium. At each renewal, the Plan's claims, reserves and expenses are compared to premium and discussed by the Insurance Committee of the BCTF/BCSTA Group Life Insurance Plan, Manulife and Aon. At this time, your Plan's required premium rates for the next policy year are determined. The higher the reserves, the more pressure there is for rate increases. It is essential that the records for all existing waiver claimants be kept as accurate and up to date as possible to avoid premiums that are higher than necessary caused by excessive Life Waiver reserves. An employee who is recorded as receiving the waiver of premium benefit, but is no longer receiving this benefit, may have reserves held by Manulife to fund a liability that no longer exists, instead of being released.

### **What is the Amount of Life Insurance for Employees with the Plan A Benefit Formula?**

Active employees covered under Plan A receive a benefit which changes based on their age, as follows:

Under Age 35:	3.0 times annual earnings*
Age 35 but under Age 45:	2.5 times annual earnings*
Age 45 but under Age 55:	2.0 times annual earnings*
Age 55 to Normal Retirement Age:	1.5 times annual earnings*
Normal Retirement Age** and above:	0.75 times annual earnings*

\*Subject to the rounding provision (benefits for employees before their normal retirement age have their benefit rounded to the next higher \$1,000 if not already a multiple of \$1,000, and to the next higher \$500 if not already a multiple of \$500 for employees who have reached their normal retirement age).

\*\* Employees reaching normal retirement age have their Life benefit reduced by 50% from 150% of annual earnings to 75% of annual earnings. Normal Retirement Age is the October 1st following the school year in which the employee's 65th birthday occurs.

Employees who were disabled prior to September 1, 2003 and have been approved for Waiver of Premium have their benefit amount frozen at the level in force at their date of disability.

In 2003 it was determined by the Insurance Committee that this provision was not equitable because active employees could receive a smaller Life benefit than disabled employees. The extra coverage available to disabled employees contributed to larger than necessary Life Waiver reserves. This led to higher than necessary premium charges to School Districts.

Therefore, employees who were disabled on or after September 1, 2003, and approved for Life Waiver of Premium benefits have the same age-related reductions applied to their Life benefit as active employees.

Note that this September 1, 2003 change in benefit amount did not impact employees covered under Plan B because their benefit does not change based on age until normal retirement age. Under either Plan A or Plan B, Waiver of Premium benefits must cease by the July 1st following the employee's 65th birthday.

### **Lump Sum Payouts of LTD: A Caution**

Most Plan members belong to the BCTF Salary Indemnity Plan. For those disabled Plan members who do not belong to the BCTF Plan, we caution that accepting a lump sum LTD payout will end their waiver of premium benefit with Manulife. The BCTF/BCSTA Group Life Insurance policy states that the Waiver of Premium benefit will terminate when an employee is no longer receiving LTD benefits for any reason. If you have staff members (e.g., principals) who are receiving LTD benefits from an insurance plan other than the BCTF Salary Indemnity Plan, please advise these employees that their BCTF/BCSTA Life Waiver of Premium claim will terminate if they accept a lump sum payout of their LTD benefit from their insurance company. Please note that for teaching staff covered under the BCTF Salary Indemnity Plan, the plan administrator does not offer lump sum payouts of LTD benefits.

Manulife states that when an LTD claim is closed, the Waiver of Premium benefit will also terminate, unless medical evidence is submitted to substantiate the continuation of disability.



## Clarification:

If the employer/employee relationship were to cease through a resignation or termination, the Life Waiver could continue if the employee remained disabled. Also, employees on a gradual return to work, approved rehabilitation program, or who return to work with reduced hours or duties could still have their Life Waiver continued, if Manulife still considers the employee to be disabled as per the terms of the Group Life Insurance Policy No 121260. Only events which cause the LTD benefit to terminate, such as full recovery, lump sum payments or early retirements, will also cause the Life Waiver benefit to terminate for non-teaching staff.

## Reminders:

If a disabled employee's Life Waiver of Premium application is declined, Group Life Insurance coverage can continue on a premium paying basis, for as long as the employee is considered an employee of the school district according to the terms of the Life Insurance policy, and as long as the policy with Manulife remains in force. If the employee is on an unpaid leave of absence, the three consecutive years' maximum leave limitation continues to apply.

Please clearly document all disabled employees who have either been accepted or declined for Waiver of Premium. Include the following in your records:

- the employee's date of disability;
- the date of Manulife's acceptance/denial of the Waiver of Premium; and
- the reason why the Waiver of Premium has been declined (if applicable).

Once a Waiver of Premium employee's status changes (the employee ceases to be disabled, retires, etc.), please update your records. This information will be important for verification of future Waiver of Premium audit records to ensure the accuracy of the Plan's Waiver of Premium reserves information.

Please notify Manulife of every Waiver of Premium termination. Each Waiver of Premium reserve release will have a beneficial impact on the annual premium rate setting calculation.

## 5.c. Leave of Absence

If an employee is on a leave of absence approved by the school district (including maternity, parental or education leaves), coverage may be continued for up to three years after the leave of absence starts, provided:

- the Plan remains in force; and
- premiums are paid.

Prior to taking their leave, employees should confirm their leave arrangements regarding premium payment and coverage with you in writing.

Please note that coverage for members during lay-off and suspension also continues for a maximum of three years. For more details, please refer to the Insurance Policy on page 29 under Termination of Insurance.

### 5.c.i. Partial Leaves of Absence

If an employee takes a partial leave of absence, Life insurance coverage can continue to be based on 100% of the full-time equivalent salary or at the employee's partial work percentage.

The employee must be offered a one-time opportunity at the start of the leave of absence to elect to continue full coverage or reduce to partial coverage based on the portion of the week worked. It is not permitted to offer any later opportunity for the employee to change their mind, as it could lead to selection against the Plan. The intent is that the school district asks the employee once to elect if they want to maintain their existing coverage at 100% or have the benefit based on their partial income. For example, if a teacher takes a three-year partial leave and their time at work/salary is reduced 40%, the teacher has a one-time option of a Life benefit based on their 60% earnings or based on their prior earnings.

#### **Can employees with partial leaves of absence have benefit increases?**

If the leave is 100%, then an employee is not actively at work and the benefit is based on the income at the time the leave starts. If the employee is on a partial leave and continues to work part-time, they are actively at work and eligible for salary changes and the increased Life insurance benefit based on the higher earnings.

### 5.c. ii. If Group Life Insurance is to Continue During the Leave of Absence

The employee should receive written documentation from the school district that includes the following information about their Group Life Insurance:

- the anticipated length of the leave of absence and the scheduled return to work date;
- the amount of Life insurance that will be continued – this is the amount of Group Life Insurance in effect immediately prior to the date leave commences. Increases due to salary changes become effective when an employee returns to active work with the school district;
- the premium the employee is required to pay and how payment is going to be arranged (full amount pre-paid, monthly cheques, etc.). It is also advisable to include wording that should the rates change during the employee's leave, the employee's share of the required premium would likely also change; and
- confirmation that the Group Life Insurance coverage with Manulife's BCTF/BCSTA Policy No. 121260 will be void if the employee is working more than 20 hours per week in another job and that the employee must advise the school district of any such new working situation (preferably in writing or email).

### 5.c.iii. When Group Life Insurance Ends During the Leave of Absence

If employee agrees to copay their portion of the premium (if applicable) and their payments cease at some point during the leave of absence, the employee should be informed that coverage will end due to non-payment. Conversion should be offered. The employee would have to submit medical evidence of insurability, which must be accepted by Manulife, prior to insurance resuming at the end of the leave of absence.

## 5.c. iv. At the End of the Leave of Absence

- **If the employee continued their Group Life Insurance Coverage while on their Leave of Absence**

The employee does not need to complete a new application form; however, you may wish to remind them to review their current beneficiary designation(s) to ensure they are up to date. If they wish to change their beneficiary or beneficiaries, please refer to the procedure outlined under the Beneficiary Designation section.

- **If the employee did not continue their Group Life Insurance Coverage while on their Leave of Absence**

Manulife does not require medical evidence of insurability to reinstate coverage if the coverage was not continued during Leave of Absence. Manulife does not require that a member maintain coverage during a leave (even if they could have) in order to allow them to be re-instated once they have returned to work.

- **Other Possibilities**

If the employee provides notification that they do not intend to return to work at the school district at the end of their leave of absence, you will need to provide them with written notification that their coverage will terminate at the end of the month, and of their right to convert their Group Life Insurance Coverage to an individual plan.

Note that even if there are leaves of absence granted for successive reasons (example: the employee is on a Leave of Absence, then goes on to Maternity Leave and then is on lay-off) coverage can only be continued for a maximum period of three consecutive years. You will need to provide the employee with written confirmation that Group Life Insurance coverage will terminate at the end of the three-year period and provide them with details on the conversion option.

If an employee was involuntarily terminated, you must request for permission from Manulife to extend coverage during severance (complete the Application of Coverage form and submit to Manulife). Once approved, Manulife's common practice is to allow extension for up to a year.

## 5.d. Employees Working Past Normal Retirement Age: Coverage Reduction

### **British Columbia's Changing Employee Demographics**

More employees across the province are considering working past their normal retirement date. Reasons for this include longer average lifespans, economic hardship and legislation eliminating mandatory retirement in British Columbia for most occupations including teachers.

As mentioned in Section 2, there is no termination age under the BCTF/BCSTA Plan \*. Life insurance can continue beyond the "normal date of retirement" if an eligible employee continues to work. However, there are some distinctions in coverage between employees who have reached their "normal date of retirement" and other employees. These distinctions are described below. For purposes of the BCTF/BCSTA Group Life Insurance Plan, the normal date of retirement is the October 1st following the school year the employee reaches age 65\*. A school year is the 12-month period that begins on July 1st and ends on June 30th.

The first difference is the reduction in insurance volume. The volume, or face amount, of Life insurance reduces by 50% at the employee's "normal date of retirement." \* While employees who have not reached their normal retirement age of 65 have their Group Life insurance volume rounded up to the next higher \$1,000 if the volume is not already an integral multiple of \$1,000 based on their benefit formula, employees past normal retirement date have their volume rounded up to the next higher \$500 unless not already an integral multiple of \$500.

**Example 1:** An employee earning \$55,000 per year is covered under a school district's selected Plan A benefit, which provides a volume of insurance based on an age banded formula and has a birth date of July 7, 1957.

Under the Plan A benefit formula, prior to normal retirement age, the insurance volume for employees over age 55 is 150% of earnings (\$82,500), which is then rounded up to \$83,000. The year the employee turns age 65 is the 2022/2023 school year. Therefore, on October 1, 2023 the employee's coverage would reduce from 150% to 75% of annual salary (\$41,250), rounded up to the next higher \$500 to become \$41,500.

**Example 2:** An employee earning \$55,000 per year is covered under a school district's selected Plan B benefit formula and has a birth date of May 11, 1957.

Under the Plan B benefit formula, all employees who have not reached normal retirement age have an insurance volume of 300% of annual earnings or in this example, an amount of \$165,000. As this is already a multiple of \$1,000, the volume is not rounded up. The year the employee turns age 65 is the 2021/2022 school year. Therefore, on October 1, 2022 the employee's coverage would reduce from 300% to 150% of annual salary or \$82,500. Since this is an integral multiple of \$500 the volume is not rounded up.

While younger workers are eligible to receive the Waiver of Premium benefit, this is not the case for disabled workers who reach their normal retirement date. If Manulife determines that an insured employee became disabled in accordance with the terms of the BCTF/BCSTA Group Life Insurance Plan, and before the end of the school year in which the employee's 65th birthday occurs, the insurer will waive the premium on the disabled employee's insurance throughout the benefit period, provided that the insurer was notified within the notification period.

The conversion benefit will continue past normal retirement, but the choice of individual Life insurance plans that are available after conversion will reduce as noted in the Conversion Privilege section.

## 6. Audits

In this section:

- a. Maintaining Accurate Records
- b. Enrolment Audits
- c. Waiver of Premium Audits

### 6.a. Maintaining Accurate Records

The maintenance of accurate records of each employee's benefit and premium cost is critical. Another key record keeping function associated with the BCTF/BCSTA Group Life Insurance Plan is keeping the enrolment forms accurate. New employees eligible for coverage must be correctly enrolled. Every enrolled employee must have a valid beneficiary designation. Records must be kept of each employee's decision to either invoke or waive the conversion privilege at termination of employment. Finally, for disabled employees who have Life premiums waived, special attention must be made to ensure that each record remains accurate. In situations where the insurer has changed, the Plan Administrator at each school district will need to track the insurer sponsoring the employee's Waiver of Premium claim.

### 6.b. Enrolment Audits

We recommend for enrolment records to be self-audited at minimum annually. Generally, school districts experience many staff changes, particularly at the beginning and end of the school year. Performing an annual enrolment audit near the end of the school year is a good way of ensuring that no one is overlooked.

Reasons to conduct an enrolment audit include:

- to verify that there is an enrolment form on file for each active employee in your school district who is eligible for coverage; and
- to ensure that all required information is included on the enrolment form, such as the employee's designated beneficiary and that the form is signed and dated by the employee.

This will allow the school district to avoid the complications and potential liability that might arise if an employee dies without a completed enrolment form on file, or if the employee was not properly enrolled in the Plan.

If the employee does not complete an enrolment form within 31 days of becoming eligible, Manulife will require the medical evidence of insurability form (GL3940E) to be completed (but only from school districts where coverage is non-mandatory) and the employee's coverage will be subject to the insurer's review and approval. If the school district has mandatory coverage, the enrollments and premium remittances should be backdated to the date of eligibility. If it comes to Manulife's attention that an employee from your school district had not been enrolled at the appropriate time on a mandatory plan, they would request you to review your records to ensure that no other employees were missed. If any other employees were identified, your school district would need to remit backdated premiums.

To ensure that the deadline is met, a tracking system should be set up which triggers you to follow up with new employees who have not completed an enrolment form.

When an enrolment audit is performed, the following steps should be taken:

- the school district's payroll records should be compared to your Group Life Insurance member listing to ensure that all employees who meet the minimum eligibility requirements of the Group Life Plan are enrolled in the Plan;
- each employee's volume of insurance should be compared to their salary to ensure that premiums are paid on the correct benefit level (e.g., 300% of annual earnings);
- a calculation of each employee's age is also necessary for adjusting the volume at normal retirement age and for calculating each Plan A change in benefit;
- check that there is an up-to-date enrolment form on file for all employees, and that all required information is included on the enrolment form;
- ensure that all new employees fully complete, sign and date an enrolment form;
- if an employee must complete a new enrolment form (e.g., if there is a change in beneficiary), ensure that the new enrolment form is completed in full and signed and dated by the employee. In addition, it is a good idea to staple the new enrolment form to the old form, so that a history of changes can be followed, if necessary (alternatively, please scan the form and keep a digital copy of it in the employee file); and
- ensure that the enrolment deadline is met.

## 6.c. Waiver of Premium Audits

Administrators must also be careful not to forget about disabled employees whose Basic Life premiums are waived. Performing a Waiver of Premium audit is an important responsibility that you have as a plan administrator, and we recommend a self-audit at least semi-annually to correct any inaccuracies more quickly and to eliminate the possibility of missing the Waiver of Premium deadline.

In addition to the self-audits you perform as a plan administrator, Aon will also conduct a formal Waiver of Premium Audit biannually. An outline of this process follows:

- Aon will send an email to each school district attaching a password protected listing of its employees that Manulife's records show as being approved for Waiver of Premium under the BCTF/BCSTA Group Life Plan No. 121260;
- we ask the Plan Administrator at each school district to please check that the employees shown on the list are still eligible for Life Waiver of Premium or if there are any individuals missing from the list. If there are discrepancies, please note the differences and advise Aon as soon as possible;
- once all the school districts have completed this process including advising Aon, we will compile the information and advise Manulife;
- discrepancies between data received by Aon from Manulife and records kept by each school district may require us to request additional clarification from some school districts;
- future audits are only expected to track the current insurer's (Manulife's) Life Waivers (those approved with a disability date September 1, 2020 and thereafter); and
- you should continue to track all Canada Life waivers internally as it is possible for any one of them to eventually turn into a Life claim.

Please note that the Life Waiver of Premium Audit did not take place in 2020 due to the change in insurers. The Waiver of Premium Audit for 2022 is currently taking place at the time this *Admin Guide* is being updated. We have sent an email to you regarding the audit in October 2022.

# Appendix 1: Draft Memorandum for Terminating Employees



# Appendix 2: Billing Template and Instructions

## Appendix 3: Forms

Below is a list of the Manulife forms that are referenced in the *Admin Guide*.

Many of the forms are available via Manulife's website. Fillable forms may be available. Please contact Manulife for soft copies of the forms.

<b>Form Number</b>	<b>Form</b>	<b>Location</b>	<b>Divisions</b>
GL5637E121260	Application for Group Coverage – Enrolment, New Beneficiary, Beneficiary Change Form for Groups with no Optional Life	Plan Administrator Website	All divisions <u>except</u> 63 & 81
GL5636E121260	Application for Group Coverage – Enrolment, New Beneficiary, Beneficiary Change Form for Groups with Optional Life	Plan Administrator Website	63 & 81
GL5625E121260	Life Conversion Form	Plan Administrator Website	All
GL3940E	Application for Insurance and Evidence of Insurability (EOI) <i>(non-mandatory SD's &amp; SD's with Optional Life)</i>	Plan Administrator Website	05, 19, 27, 36, 61, 63, 81, 92
GL5633	Non-Smoking Declaration for SA Groups <i>(SD's with Optional Life)</i>	Plan Administrator Website	63 & 81
GL5635	Refusal of Coverage Form <i>(non-mandatory SD's)</i>	Plan Administrator Website	05, 19, 27, 36, 61, 92, 93
GL4999E	Waiver of Premium - Condensed form	Plan Administrator Website	All
a. GL3293E(VAN) b. GL5448E c. GL5450E	Waiver of Premium - Standard/Long form a. Attending Physician Statement b. Plan Sponsor Statement c. Plan Member Statement	Plan Administrator Website	All
GL5449E	Life Claim Form	Plan Administrator Website	All
GL3399E	Compassionate Assistance Loan	Plan Administrator Website	All
GL1375E	Continuation of Benefits	Plan Administrator Website	All
GL3499E	Group Benefits Plan Administrator Internet and Billing Registration	Plan Administrator Website	All
GL4882E	Plan Administrator or Company Address Change	Plan Administrator Website	All
GC2439E	Beneficiary Claim Guide	Plan Administrator Website	All

Last Updated: December 30, 2022

## Appendix 4: Manulife's Waiver of Premium (WOP) Claims Process

Adding WOP claims: Waiver of Premium claims should be submitted for any covered plan member who is absent from work due to illness or injury for more than six months. You are strongly encouraged to submit claims promptly (before the six months). With respect to teachers, Manulife receives reporting from BCTF on a monthly basis on LTD claims for all school districts participating in the BCTF/BCSTA Group Life Insurance Plan. They will reach out to the SDs with new LTD claims via email to remind them to submit the waiver claim forms if they have not already been received by the time the teacher appears on the report. Manulife is in the process of revising their procedures to implement additional follow up with school districts. Follow up emails will include why it is necessary to submit waiver claim forms. Once the waiver claim has been approved, it will show up on Manulife's waiver listing.

Removing WOP claims: When the BCTF report identifies terminations of LTD claims that are linked to WOP approvals, Manulife will terminate the WOP claim as of the same date and will notify the SD via email. To ensure that all Waiver of Premium records are kept as fully up to date as possible, Manulife strongly recommends that if the SD is aware of a Teacher's return from an LTD claim, this be reported to Manulife immediately.

## Appendix 5: Manulife's Administration of Optional Life Insurance Coverage

Most School Districts covered under the plan do not offer Optional Life through the BCTF BCSTA plan. The following outlines how Optional Life is to be administered for plans that do offer the coverage. Optional Employee Life and Optional Spousal Life is subject to proof of health from the first dollar (i.e., no coverage is provided unless approved by Manulife.) If your plan offers Optional Child Life insurance, there is no requirement for proof of health as long as the member applies within 31 days of first being eligible (i.e., from date of hire or from the date they first have a child that is eligible to be covered whichever is later).

### Communication

Manulife provides a coverage/rate summary to assist the SD representatives in communicating the Optional Life benefit to members.

### Application Process

1. SD representative completes Section 1 of form GL5636E Application for Group Coverage / Designation of Beneficiary and then passes the form to the member for completion of the remaining sections.
  - a. Select the button at the top left for "initial enrollment and designation of beneficiary." (NOTE: A new hire will have to complete this form whether they are applying for Optional Life coverage or not. If a member who has previously enrolled for Basic Life wishes to apply for Optional Life, they will also need to complete this form.)
  - b. New hire member must complete all other sections except 6 which is optional, and 7 which is required only if the member is designation a minor beneficiary(ies).
  - c. An existing member applying for Optional Life must complete sections 2, 3, 5 and 8 (and also 7 if they have designated a minor beneficiary.) If they wish to change their beneficiary for Basic Life Insurance and/or designate contingent beneficiary(ies), they may also complete sections 4 and 6.
  - d. Helpful tips re designating a beneficiary may be found on the reverse of the form.
2. Member submits the enrollment form to the SD representative, who then completes the Plan Sponsor section of form GL3940E and provides this additional form to the member, together with the coverage summary / rate sheet. If the member wishes to proceed with the application, form GL3940E is submitted directly to Manulife, at the address noted at the bottom of the form (in order to protect member privacy.)
3. Manulife will review the application, and if no further information is required in order to make a decision, will send an approval or declination letter to both the member and the School District.
4. If more information is required before a decision can be made, Manulife will correspond directly with the appropriate parties in order to obtain the missing details. This may include the member and health care providers. The SD will not be copied on this correspondence, for reasons of privacy. Once a decision has been made, both the SD representative and the member will be informed directly by Manulife.

### Billing

All premiums are collected by the SD via payroll deductions, and then included on the SDs regular monthly premium remittance.

Once the SD has been advised of approval of new coverage, premium applicable to the new coverage must be added to the next monthly billing statement.

When the member or spouse moves into a new age band, premiums must be increased accordingly.

### Termination or reduction of coverage

There is no requirement to send forms to Manulife when a member's coverage is terminated or reduced. If a member ceases to be eligible for coverage under the plan, no documentation is required at all. The SD may simply remove the member from coverage and discontinue remittance of premiums. The member should be provided with the BCTF BCSTA customized conversion brochure. Conversion applies to both basic and optional life.

If a member wishes to drop or reduce coverage for which they are still eligible, the SD should obtain written confirmation of the request, including the effective date. The SD may then cease premium remittance and discontinue payroll deductions.

### Claim Process

The Basic and Optional Life claim process may be handled through a single submission. If there are different beneficiaries for each benefit, separate Claimant Statements will be required.