

H&W Design Change FAQs

Why are we changing how are our benefits are provided?

There are a variety of reasons, for a full explanation please watch the video from the 2023 Annual Roadshow available on the member portal. Primarily due to health cost inflation the cost of the plan goes up regularly, this means that over time more and more full-time employed members whose contribution rates didn't keep up with inflation started to fall in and out of benefit coverage. The Board believes all members should have consistent, reliable access to the basics that you expect from your health coverage, and this plan was crafted with advice from our professional consultants to do just that.

We're a Union, why are we establishing different divisions of benefits?

The reality is that some members have bargained much higher contribution levels than others. Over time those who have taken more away from their wages to put to H&W contributions have ended up subsidizing those who contribute less and have seen no improvement to their benefits. There was a clear difference between higher and lower rates and the Board chose the path where they could improve benefits for high contributors and reduce premiums for lower contributors. This is seen as a great solution to start improving benefits for those who have bargained higher rates, and to ensure those contributing at lower rates can maintain uninterrupted core coverage.

How do I know which division I'm in?

This depends on which collective agreement (CBA) you work under. If the H&W contribution rate of your agreement is under \$2.05/hour then you're in the Core division, otherwise you will be in Extended.

Why is 2.05 the contribution rate needed to be in the Extended division in 2024?

Based on the advice of our professional actuaries who analysed all the contributions received by the Plan, they determined that there were 2 large groupings above and below 2.05 and therefore felt this was the appropriate rate to start at. Note that this rate is expected to increase over time to keep up with healthcare inflation. If being in the Extended division is important to you, we encourage you to ensure that your CBA factors in future increases in the contribution rate needed to put you in to Extended.

Are different rates used to convert contributions between the two divisions?

No, H&W contributions received are converted at the same rate between the two divisions. The difference with the hours is in how much is used, for the Core division 135 hours are needed to "pay" for a month's coverage, while 175 is needed for Extended. 135 hours is a reduction from the current 150 requirement, and should enable those who were regularly losing coverage to maintain basic coverage more easily.

I'm unhappy with the changes to disability!

Short-term disability (STD) coverage under both divisions has been extended out to 104 weeks (including EI Sickness) from 32 weeks - nearly tripling the coverage provided under STD! Long-term Disability (LTD) coverage is only provided under the Extended division, under the Core division disability coverage would end after STD ends. The vast majority of our plan members never go on disability, and of those who go on disability, the majority of them do not reach 104 weeks. If LTD coverage worries you, there are many self-paid options to provide coverage such as mortgage insurance, etc. There are also other supports available to disabled members at both provincial and Federal levels like AISH and CPP Disability Pension. All that being said, if maintaining LTD coverage matters to you, speak with your BA about ways to have your group move to the Extended division by bargaining up your H&W contribution rates.

Why is the annual amount of my Healthcare Spending Account (HSA) not guaranteed?

The HSA is a new benefit that the Board is excited to provide. It will give members the flexibility to cover some additional medical costs that are relevant to them. As the Board works through the finances of these changes and of the Plan, they don't want to have to cut regular benefits. The finances of the Plan will be looked at every year, and the amount can be adjusted up or down over time as the Board sees fit.

How does the balance in my Healthcare Spending Account (HSA) work?

Every year you will be credited with the amount the Trustees have approved for the year, and if that amount hasn't been used in 2 calendar years, it expires. Here are some examples, to keep it simple we'll presume the Board approved \$500 HSA credits for 2025 as well:

2024 HSA credits	\$500		You received \$500 credits from the Board for 2024. In 2024 you charged \$300 to your HSA so you were left with \$200 at the end of 2024. You then got your new \$500 from the Plan for 2025 and again used \$300. The first \$200 of that is charged against your remaining credits from 2024, and then the remaining amount is charged against 2025 leaving you with a balance of \$400 in your HSA at the end of 2025.
Credits used in 2024	-\$300		
Balance end of 2024		\$200	
2025 HSA credits	\$500		
Credits used in 2025	-\$300		
2024 credits expiring	0		
Balance end of 2025		\$400	

2024 HSA credits	\$500		You received \$500 credits from the Board for 2024. In 2024 you charged \$300 to your HSA so you were left with \$200 at the end of 2024. You then got your new \$500 from the Plan for 2025 and only used \$100 in 2025. That \$100 is charged against your remaining credits at the end of 2024, leaving you with \$100 unused 2024 credits. Those credits expire at the end of 2025 leaving you with a balance of \$500 in your HSA at the end of 2025
Credits used in 2024	-\$300		
Balance end of 2024		\$200	
2025 HSA credits	\$500		
Credits used in 2025	-\$100		
2024 credits expiring	-\$100		
Balance end of 2025		\$500	

How does my Healthcare Spending Account (HSA) work?

Please watch the video posted at [Health & Wellness and Pension Videos | IUOE Local 955 \(oe955.com\)](https://www.oe955.com/Health-Wellness-and-Pension-Videos) for a basic explanation of the new plan design and the functioning of the HSA. The HSA provides you with extra coverage over and above that provided through the plan, for example if you want to charge the deductible that wasn't paid by your benefits to the HSA, you can. The HSA can be used to cover any expenses considered eligible medical expenses by the CRA [Lines 33099 and 33199 – Eligible medical expenses you can claim on your tax return - Canada.ca](https://www.cra-arc.gc.ca/tx/ret/20180101/eng/rt180101001.html) Note that for some expenses to be approved you may need additional documentation such as a prescription.

What happens to my HSA if I lose coverage?

The amount available to you remains for claims prior to the date your coverage terminated. So, if you lose coverage by June 30 and have a receipt from May, you can still submit that for reimbursement within 90 days of losing coverage, the same time provision as is in place for all late submissions.