

To: Staff of McGill University

Subject: Benefits Update

Each year, the financial health of the benefit plans is analyzed and the contribution rates paid by plan members and the University are reviewed to ensure the sustainability of the plans. The results of the analysis have been reviewed with the Staff Benefits Advisory Committee (SBAC) and approved by the Human Resources Committee, Board of Governors, McGill University.

Below are the contribution rates that will come into force on January 1, 2019, as well as information on submitting claims online and tips on how to save on medication.

1. 2019 Benefit Plan Contribution Rates

A. Supplemental Health Plan and Dental Care Plan

The experience for both plans was favorable during the last year (i.e. the contributions for the year were sufficient to cover the claims paid).

A small increase in rates will be required for each plan as of January 1, 2019 to cover future inflationary trends in health and dental care. The cost of health care continues to increase each year, mainly due to new, expensive drugs entering the market. In order to avoid large fluctuations in contribution rates from year to year, smaller, steady rate increases are recommended.

Effective January 1, 2019, the rates per pay for active employees will be as follows (and will be matched by the University):

	Supplemental Health Plan		Dental Care Plan	
	Current Rate	As of January 1 2019	Current Rate	As of January 1 2019
Single	\$22.40	\$22.85	\$11.40	\$11.74
Family	\$44.13	\$45.02	\$25.50	\$26.26

Plus 9% sales tax for Quebec residents, 8% for Ontario residents.

B. Long-Term Disability (LTD) Plan

The latest Plan review indicates that current contribution rates are insufficient to cover claims experience. Consequently, contribution rates must be increased from \$.991 per \$100 of monthly earnings to \$1.031 per \$100 of monthly earnings as of January 1, 2019.

Here is an example of what this increase will mean for your bi-weekly pay:

Annual Salary	Current Rate	Rate as of January 1, 2019
\$30,000	\$11.43	\$11.90
\$60,000	\$22.87	\$23.79
\$100,000	\$38.12	\$39.65

C. Optional Life Insurance Plan

There will be no increase in contribution rates for 2019. The rates are available at <https://www.mcgill.ca/hr/benefits/insurance/rates>.

Eligible employees are automatically covered under the Basic Life Insurance Plan, for which the University pays the full cost.

2. Make your health & dental claims online!

Members of the supplemental health and dental plans can submit all their claims online. You'll never have to reach for paper health and dental claims form again!

If receipts are required, you can scan and upload them with your claim, or take a photo and submit it via [Manulife Mobile](#).

Don't forget: all health and dental claims incurred during the period from January 1, 2018 through December 31, 2018 must be received by Manulife Financial no later than March 31, 2019. If you miss this deadline, your claims will be ineligible for reimbursement.

Visit McGill's HR website for more details on your [supplemental health and dental plans](#), or on [making claims](#).

3. Save money on prescription medication!

As in many large organizations, McGill's supplemental health and dental plans are self-insured. This means that the University and its eligible employees each pay 50% of contributions to the plans, and are responsible for its cost as well. If the total cost of claims increases or decreases, the contributions required of McGill and its employees go up or down accordingly. Contribution rates are almost entirely based on Plan usage and projected inflationary trends in health and dental costs (e.g. the anticipated introduction of expensive new drugs), so it's in everyone's interest to minimize costs.

Here are some ways you can help keep costs down:

1. Choose generic drugs

Prescription drugs are the biggest drain on our Health Plan, accounting for approximately 65% of claims. Generic drugs are generally just as effective as brand-name ones – and far less expensive. If you're using brand-name drugs, ask your doctor whether a generic equivalent would work for you. Remember, if you

file a claim for a brand-name drug where a generic equivalent exists, you will be reimbursed as though you had purchased the less expensive generic equivalent, unless your physician has specified that only the brand-name version is necessary. For more information, visit <https://www.mcgill.ca/hr/benefits/insurance/health-dental/health>.

2. Shop around

Quebec pharmacists must provide a detailed invoice when you buy prescription drugs. Specifically, your bill should itemize:

- the price of the drug (determined by the government)
- the distributor's margin (middle-man fees)
- the pharmacy's professional fees (profit margin/mark-up)

Only the professional fees will vary from one pharmacy to another – inform yourself and shop around for the best drug prices.

3. Purchase drugs for a 90-day period

If you take certain drugs regularly, inquire whether purchasing three months' worth at a time would reduce the "professional fees" and generate savings for both you and the Plan.

4. Your first pay of 2019

For many McGill employees, take-home pay is higher toward the end of the calendar year than at the beginning. This is because many pay deductions have a maximum annual contribution – including those for the Quebec Pension Plan (QPP), the Quebec Parental Insurance Program (QPIP), Employment Insurance (EI) and the McGill University Pension Plan.

At various times throughout the year, you may have reached the maximum 2018 contribution for several of these programs. Each time this happened, McGill stopped applying that deduction for the rest of the year, resulting in a temporary increase in take-home pay. In the New Year, however, you will start contributing to these programs once again, and your take-home pay will decrease correspondingly.

For more information, call us at 514-398-4747.

5. Pension Info Sessions

Whether you're thinking about joining the McGill University Pension Plan or considering retirement, attend an upcoming info session to find out more. Check out the [schedule](#) and register today.

6. Overcoming Holiday Stress

The holiday season can be emotionally, physically and financially taxing, and feelings like loneliness can hit especially hard. Benefits Plan members and their eligible dependents have free access to the [Employee and Family Assistance Program](#), which offers immediate, confidential short-term counselling services. These include stress management, financial and legal advice, psychological support and much more. Visit their [website](#) for details, consult their articles on holiday [stress](#) and [loneliness](#), or [contact them now](#).

7. Travelling over the Holidays?

Avoid expensive bills and ruined holidays by making sure you're covered! Before you leave, familiarize yourself with the limitations of both RAMQ and your health plan coverage while you are away. [Learn more](#).

Questions?

If you have any questions about the information in this document, contact the Human Resources Service Centre at 514-398-4747 or hr.hr@mcgill.ca.

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