

This message is sent on behalf of Human Resources, Benefits

Dear fellow members of the McGill Supplemental Health Plan and Dental Plan,

The ongoing pandemic has brought challenges and silver linings. In this message, we are pleased to be able to share positive news with you.

BACKGROUND

With the unexpected onset of the COVID-19 pandemic in early 2020, the number of claims submitted for reimbursement to both the Supplemental Health and Dental plans decreased significantly compared to previous years, especially during the early months when we experienced the strictest confinement. Even once measures began to lift, claims remained below expectations. As a result of these unusual circumstances, the contributions we paid into our group supplemental health and dental plans in 2020 exceeded what was required to reimburse members' claims.

In group insurance plans, the balance between contributions and claims naturally varies somewhat from year to year. When contributions exceed claims, the difference constitutes a reserve for future fluctuations. Maintaining moderate reserves to avoid significant rate fluctuations is good practice. However, in the unusual circumstances of the pandemic, our plans' reserves have accumulated above normal requirements. When this happens, legislation requires that the reserves be reduced to a "reasonable" level by the following year-end.

HOW DOES THIS APPLY TO ME?

In the current context, the most effective way of achieving that level is by **temporarily reducing our plan rates by 75%** over seven pay periods, **from September to December 2021**, for all plan members as follows:

ACTIVE EMPLOYEES & EMPLOYEES RETIRED BEFORE JUNE 1, 2016

	Health		Dental	
	Current rate per pay	Reduced rate per pay	Current rate per pay	Reduced rate per pay
Single Plan	\$23.31	\$5.83	\$11.86	\$2.96
Family Plan	\$45.92	\$11.48	\$26.52	\$6.63

EMPLOYEES RETIRED ON OR AFTER JUNE 1, 2016

	Health		Dental	
	Current rate per pay	Reduced rate per pay	Current rate per pay	Reduced rate per pay
Single Plan	\$32.63	\$8.16	\$23.72	\$5.93
Family Plan	\$64.29	\$16.07	\$53.05	\$13.26

WHAT DOES THIS REQUIRE FROM ME?

Nothing. You will automatically benefit from the rate reduction and be able to see it applied in Workday for pay periods 20 to 26.

According to the pay schedules:

- For hourly-paid employees, the reduction will apply to the 7 pay periods from September 29 to December 23, 2021.

- For salaried employees and retirees, the reduction will apply to the 7 pay periods from October 8 until December 30, 2021.

Rates will return to their normal level in January, 2022. As usual, the rates for 2022 will be communicated in December 2021.

WHY NOT ENHANCE SERVICES INSTEAD?

In the short term, this approach would not enable the University to reduce the plan surplus to normal levels by year-end. Additionally, plan enhancements have longer-term implications. Once the excess surplus is spent, such enhancements result in additional recurring costs that must be financed through increased contribution rates.

Should you have any questions, do not hesitate to communicate with us at hrhr@mcgill.ca or 514-398-4747.