

BARGAINING ALERT!

Benefits



This Bargaining Alert! applies to all groups except for Sessional Adjuncts and some Term Adjuncts. Sessional Adjuncts

have child care benefits, but none of the other benefits mentioned here. Term Adjuncts may not be eligible for all benefits, especially if their contract is not at least one year—they should check with Human Resources to be sure.

You recently received Bargaining Alerts dealing with the salary curve (Issue 5) and the nature of the merit and scale increases (Issue 7). The second component of compensation comprises benefits such as medical, dental, long-term disability and life insurance, child care, and tuition.

Typically, employers and employees have some type of cost-sharing mechanism in place to cover the premium for these benefits. There are a wide variety of ways to accommodate the various interests, but in the final analysis it comes down to money.

At Queen's, the institution contributes 2.39% of the salary mass to benefits (not including pension). This is on the low end of benefit packages at Ontario Universities, where the employer contribution can range as high as 5% and has a mean of about 3.5%. At many institutions, the employer pays 100% of many benefits. When one takes into

account the various deductibles and co-insurance aspects of the Queen's plan, faculty and the institution each contribute about an equal amount to the total cost.

This Alert briefly explains the various components of the current package. The full terms of the various elements of the package can be seen at <http://www.hr.queensu.ca/benefits/benefits.php>.



The Benefits page of the Human Resources Web site contains complete information about all your benefits.

Some benefits, such as life insurance and long-term disability, are optional. Everyone has the right to enrol upon employment. If one of these benefits is declined, then typically the insurer will require medical information and possibly medical checkups at the employee's expense before allowing someone to join at a later date.

The group plan applies to most full time, part time, term, and contract employees at Queen's. Sessional employees are eligible only for child care benefits.

End of Mandatory Retirement

Mandatory retirement at age 65 has been eliminated. For employees choosing to work past age 65, full benefits will remain in effect with some exceptions:

- Long term disability insurance terminates at age 65.
- Past age 65, basic and optional life insurance will remain in effect only until age 70.
- If an employee has optional life insurance through the plan and wishes to convert it to an individual policy, this must be done at age 65.

Life Insurance

Basic life insurance is available with the employee paying 45% of the premium. Employees may choose a benefit level of 1x, 2x, or 3x their salary up to the maximum coverage of \$200,000. If retired at age 65, coverage declines to 100% of salary that year and then reduces each year on a sliding scale to age 70. The residual 10% coverage at age 70 is retained for life. If the employee is retired, all premiums after age 65 are paid by the employer.

If an employee continues to work beyond age 65, then the full basic amount remains in effect up until age 69, and premiums after age 65 will be shared between the institution and the employee. When an employee retires post-65, the coverage declines to the appropriate percentage of

salary for that year post-65.

Optional life insurance up to an additional \$250,000 may also be purchased from the insurer. Rates are determined by age.

Supplementary Medical Insurance

Supplementary medical is a non-taxable benefit that covers a wide variety of health care costs. The university pays 100% of the premium for active employees and 70% of the premium for retired employees. There is a \$25 annual deductible. Benefits include 100% of prescription drugs; 80% of home nursing care; and 100% of costs for ambulances, various appliances, and visits to physiotherapists. There is a vision-care provision with a maximum of \$200 every two years. It also covers up to \$300 per year for alternative medical practitioners. Emergency care when temporarily outside of Canada will be paid at 100%. All of these benefits continue after retirement, but with shared premiums and reimbursement at 80% of cost after retirement.

Semi-Private Hospital

This optional benefit pays the difference between semi-private and ward rates in hospital. This premium is paid 100% by the employee.

Dental Insurance

Dental care is provided with the institution paying 75% of the premiums. The plan covers 100% of basic procedures, such as checkups, fillings, and cleaning, although they are based on the previous year's rate schedule. It will pay for 75% of major procedures, such as restorative work or dentures. For major procedures, there is a maximum benefit of \$3000 per year per insured. There is also a provision to cover 50% of orthodontic work to a maximum of \$2000 in a patient's lifetime.

Long-Term Disability

Long-term disability insurance protects income against accident or diseases that prevent the employee from working. Long-term disability applies after the initial six months sickness or disability leave at full salary provided by Queen's. Long-term disability is not compulsory, and some choose not to take it; however, QUFA encourages all Members to enrol in this important protection. The insurance is expensive and employees pay the full premium, which is accounted for on a non-refund basis. In this case, the insurer is responsible for deficits and keeps surpluses. Payout in the event of injury or illness is tax exempt. If the institution paid any part of the premium, then the income would be taxable. For this reason, if an employee must pay for any part of their benefits, then this is a good place to direct the funds.

Child Care

To assist with child care, employees may claim a maximum of \$20 per day and with a cap of 50% of total charges. The plan has a maximum limit of \$2000 per child per year, and the total amount paid by the plan is limited to \$290,000 in 2007-2008. Applications are handled once per annum, and supporting documentation is required. This is a taxable benefit.

Sessional Adjuncts have a separate plan with a maximum limit of \$2000 per child annually, and the total amount paid by the plan is limited to \$30,000 in 2007-2008. If eligible requests add up to more than the maximum amount available in the plan, the amount per eligible child is pro-rated. This is a taxable benefit.

Tuition and Educational Support

Faculty Members who are governed by the Faculty, Librarian, and Archivist Bargaining Unit (FLABU)

Collective Agreement may claim tuition support for partners and children (under 25 years) enrolled in educational programmes. This support is limited to \$3000 per year per dependent. Members must apply separately for each of the Fall and Winter terms through the Human Resources online Web site application with supporting documentation. The total support provided to all employees was restricted to \$618,677 in 2007-2008. This is a taxable benefit to the employee and not to the student.

Summary

The benefits package overall provides good coverage for most aspects.

If you have a particular suggestion as to how to make it more effective, more tax efficient, or less expensive, feel free to contact QUFA.

Remember that this is your money and your benefits package.



QUFA encourages you to print out a copy of this Bargaining Alert and post it in a visible space in your department or unit. Thank you!

Past issues of Bargaining Alerts are archived on the QUFA Web site (www.qufa.ca).