

≤ Benefits Bulletin ≥

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2011 Dental Fee Guide Changes

Province	Average Increase	Effective Date
Alberta *	4.10%	January 1, 2011
British Columbia	1.80%	February 1, 2011
Manitoba **	3.49%	January 1, 2011
New Brunswick	2.0%	January 1, 2011
Newfoundland & Labrador	5.8%	January 1, 2011
Northwest Territories	2.5%	January 1, 2011
Nunavut	No changes	n/a
Nova Scotia	2.52%	February 1, 2011
Ontario	2.0%	January 1, 2011
Prince Edward island	2.27%	January 1, 2011
Quebec	1.9%	January 1, 2011
Saskatchewan	3.0%	January 1, 2011
Yukon	TBD	April 1, 2011

* The Alberta Dental Association (ADA) has not published a fee guide since 1997. As a result, insurers develop their own guidelines and reimbursement limits for Alberta.

** Northern Manitoba (north of the 53rd parallel) will have a higher differential fee of 10% greater than the overall average increase.

The impact of fee changes will vary depending how a plan is set up.

- **Plans that include an automatic fee guide update** – claims incurred on or after the effective date, as set out in the above chart, will be assessed according to the 2011 provincial fee guides representative price for Alberta dental fees.
- **Plans that do not include an automatic fee guide update** – claims will continue to be assessed according to the fee guide or representative price level specified in the contract.
- **Plans with a lag year fee guide** – claims will be assessed according to the previous year's fee guide or representative price.

Source: Great-West Life - Groupline

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What's New at Baynes & White?

In conjunction with our recent corporate re-branding, we recently launched our new and improved website. Be sure to check it out: www.bayneswhite.com

Delisting of Patent Drugs

In our October 2010 Bulletin we listed a number of brand name drugs that were coming off patent protection. Since that time, some of these expiry dates have changed due to patent litigation, additional patents and exclusivities. Drugs listed to come off patent and the date is available from your consultant.

Initially to come off patent in 2009

Exelon (Alzheimer's drug) was supposed to come off patent, generic will now be available in November 2011

Initially to come off patent in 2010

Lipitor (high cholesterol) generic will be available in 2011

Advair (asthma) generic will be available in 2011

Acotnel (pagets disease and osteoporosis) generic will be available in January 2013

Glumetza (type two diabetes) generic will be available in 2016

Spiriva (breathing problems) generic will be available in 2023

Yasmin (birth control pill) generic will be available in 2014

Initially to come off patent in 2011

Flovent (asthma) generic will be available in December 2012

Singulair (asthma) generic will be available in February 2012

Divan (hyper tension) generic will be available in 2012

Arthrotec (joint pain) generic will be available in 2014

Micardis (high blood pressure) generic will be available in 2014

Source: Benefits Canada

Health & Wellness – Mental Health

According to an article in the Globe & Mail, mental health issues currently have a significant impact on both employers and employees, with an estimated annual cost of \$51 billion to the Canadian economy in lost productivity, direct medical costs and reductions in health-related quality of life.

The Harper government is currently overhauling how it manages disability as depression, as stress and other mental illness accounts for nearly 45% of public service claims. The stressed, burned out and depressed who go on sick leave often get lost in the system and are left to flounder with little effort and encouragement from managers to find ways to reintegrate them into the workforce. The more sick leave employees have banked, the less likely efforts are made to get them back to work.

According to Bill Wilkerson, the co-founder of Global Business and Economic Roundtable on Addiction and Mental Health "Only two per cent of people off for a year ever return to work and the return rate goes down like a roller coaster after being off for six months. You have to get people motivated and supported and back to work within six months."

Companies should look at strategies that aim to promote prevention, take the stigma out of mental illness and gets those suffering from depression treated and back to work as quickly as possible. Managers should actively support workers who are off on sick leave, ensuring they get early care and back to work as quickly possible whether it's with new technology, altered workloads, fewer hours, or even a new position to ease them back to work. The combination of prevention and accommodating workers could significantly reduce disability benefits being paid out.

Mental illness, left untreated, has a multiplier effect that drives up costs. People with depression use the health care system four times more than average. People using anti-depressants through the drug plans are more likely to be treated for pain, hypertension, diabetes and other ailments. The most vulnerable are workers in their prime, between the age of 30 and early 50s.



Did you know . . . ?

You can assess your cancer risk by utilizing on-line cancer assessment tools at the following sites:

www.coloncancercheck.ca

www.yourdiseaserisk.wustl.edu

Beneficiary Designation Forms - The Importance of Keeping Them Up to Date

A recent court decision reinforces the importance of maintaining up to date beneficiary forms on file. In the case of *Tower Estate v. Tower Estate*, a New Brunswick Court of Queen's Bench ruled in favor of a prescribed written beneficiary designation over a separation agreement purporting to revoke or substitute a named beneficiary.

In this particular case, the plan member was entitled to pension benefits under the *Public Service Superannuation Act* (PSSA). During their marriage, the member designated his then wife as beneficiary of his death and pension benefits as required by the PSSA. Following their divorce, the couple signed a separation agreement purporting to release each other from all interest in any pension plan held by the other. In their claim, the member's sons alleged that the separation agreement settled all matters between the member and his former spouse, as such, the benefits of the pension should reside with the property of Mr. Tower's estate. The Court ruled against the son's claims and held that the member's beneficiary designation was not revoked by the separation agreement. In order to revoke a beneficiary designation under the PSSA, statutory requirements which included filing a prescribed form must be complied.

This case should caution plan administrators when administering changes to beneficiary designations based on separation agreements with broad and general language regarding the release of claims to benefits. Proper documentation should always be filed in accordance with legislative requirements and plan terms.

Source: *Osler, Hoskin & Harcourt LLP – Pensions & Benefits Law*

New Commuted Value Standards

The Canadian Institute of Actuaries (CIA) implemented changes to its Standards of Practice in the determination of commuted values effective February 1, 2011. The changes mandate the migration from the UP1994 mortality table with a static projection of mortality improvements to full generational tables with recognition of future mortality improvements on a year by year basis. On a relative basis, the result will be a slight increase in commuted value.

February 1, 2011 also marked the change in the methodology for determining the monthly discount rates used in the calculation of commuted values. Rather than using bond yields in effect at the end of the second month immediately preceding the date of calculation, the new standard requires that interest rates be based on the bond yields in effect at the end of the month immediately preceding the calculation date. This lag should have no direct impact on the financial position of a plan over the long term. Delays may occur, however, in the processing of calculations if the rates for the month of calculation are not readily available.

GOVERNANCECorner

In this quarterly issue of **Benefits Bulletin**, we continue our **GOVERNANCECorner** series with 3 additional principles of the CAPSA Guideline No. 4. The guideline has 11 governance principles designed to assist pension plan administrators meet their governance responsibilities.

Principle 4: Performance Measures

The plan administrator should provide for the establishment of performance measures and for monitoring the performance of participants who have decision-making authority in the governance process.

Principle 5: Knowledge and Skills

The plan administrator, directly or with delegates, has a duty to apply the knowledge and skills needed to meet governance responsibilities.

Principle 6: Access to Information

The plan administrator and, as necessary, any delegates should have access to relevant, timely and accurate information.

GOVERNANCECorner will be featured in each quarter issue of **Benefits Bulletin**.



Maternity Leave

Ivy Tsang, Manager of our defined contribution department will be on maternity leave beginning May 20, 2011 to May 2012. In her absence, please direct all correspondence to Deborah McMillan.



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