

≤ *Benefits Bulletin* ≥

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Benefits of eclaims in Plan Management

The use of eclaims is rising rapidly in the group insurance field with instant adjudication that typically provides payment in 24 to 48 hours for health and dental claims. This paperless approach not only provides increased speed and accuracy but also greater fraud protection.

So how does eclaims work? As claims are received they are scanned at high speed and automatically entered into the system creating an online record of each claim. Technology automatically inputs key claims data onto online forms which are fed into the adjudication system. Specialized software identifies missing information and prompts staff to make the entry required. With all the information in electronic form the claims are distributed immediately to the claims adjudicator, no mail, no couriers, no backlog and no limitation on time and place, just quick accurate adjudication and fast payment.

Benefit fraud can be easily detected using eclaims data and the insurer can effectively help plan sponsors analyze change in claims utilization to help find ways to reduce benefit cost. Systems are capable of searching for unusual claim patterns from the millions of claims data points.

By the end of 2011 more than 85% of new mobile devices will be capable of accessing the mobile Web. Though generation Y currently makes up less than one quarter of the workforce, in 10 years the Y generation's influence will be much greater with their demographic group comprising 40% of plan members. Adopting innovative solutions to meet the wants of plan members will increase engagement and appreciation of the value of their benefit plans.

It's RRSP Season!

It's that time of the year again, if you haven't finished contributing to your RRSP for the 2010 income tax year, you still have time. The 2010 contribution deadline is March 1, 2011. The maximum RRSP contribution limit for 2010 is \$22,000, however, if you have unused RRSP contribution room from previous years, you may be able to carry them forward in your 2010 contribution, thus exceeding the \$22,000 limit. Please refer to your notice of assessment from 2009 or contact Canada Revenue Agency for more information at 1-800-959-8281.

For further information on group benefit services, please contact:
Craig Arrol
Senior Consultant
Tel: 416-863-9159 ext. 229
Email at:
carrol@bayneswhite.com

For information on pension or retirement services, please contact:
Deborah McMillan
Senior Consulting Actuary
Tel: 416-863-9159 ext. 227
Email at:
dcmillan@bayneswhite.com

Duty to Accommodate Disabled Employees

Employers have a legal obligation to accommodate and adapt working conditions to meet the needs of disabled employees. Employers must ensure that measurable steps are taken to ensure they do not discriminate against employees with physical or mental disabilities (mental health). Even though each situation is unique, employers must make the effort to accommodate employees and ensure that there is fair treatment in the workplace.

The accommodation of employees must include the interview process, benefit plans and workplace culture. This can be complicated by the employee's right to privacy. While an employer can collect information on the employee's disability, they are not entitled to know the nature of the disability itself. Employees do have an obligation to employers to make their particular needs known and express difficulties that they are experiencing. This can be compounded by an employee's disability resulting in increased absenteeism, making it difficult for employers to accommodate.

Employers need to be aware that terminating employees for whatever reason, without an attempt made at adequate accommodation, could result in claims of discrimination or wrongful dismissal. Employers are expected to accommodate the needs of their employees up to the point of showing undue hardship. Even the definition of undue hardship varies depending on different factors that are taken into account such as the size of the operation, the cost of the accommodation and safety requirements.

Unfortunately, there is not one set of guidelines on what is acceptable accommodation for the employee or undue hardship for the employer. Each situation is unique. Generally, employers need to be aware of their obligations and review situations with legal counsel to ensure that they are actively attempting to accommodate the employee to the best of their ability.

Source: Great-West Life - Groupline

Health & Wellness – Dieting

Over half the population, including teenagers, have problems maintaining a healthy weight and are therefore at increased risk of developing cardiovascular disease, type 2 diabetes, cancer and other serious health complications.

Research has shown that overweight individuals can decrease their health risks with just a 5% to 10% weight loss. It is recommended that people lose only 1-2 pounds per week during the first 6 month period. Faster weight loss does not achieve better long-term results and may trigger health complications.

Typically, only 5% of people who go on diets are successful in keeping off unwanted weight. It is more beneficial to choose a dietary lifestyle modification than a quick diet fix. A dietary lifestyle modification consists of healthy eating habits and exercise.

Strategies for successful weight loss:

- Set a realistic goal
- Talk to your doctor or registered dietitian
- Eat a balanced diet
- Work in a workout
- Take everything in moderation (enjoy a treat once in a while in smaller portions)

There is no secret or magic formula when it comes to losing weight. If you take in more energy than you can use, you'll gain weight and if you burn more energy in physical activity than you take in, you'll lose weight.

Check your insurance company's member on-line portals. They may have a very helpful wellness library available to you and your family on this and many other wellness topics.

Source: Standard Life and Great West Life Wellness Libraries

Are you planning on retiring earlier or later than age 65?

How changes to the Canada Pension Plan (CPP) may affect your decision:

The Government of Canada introduced changes to the CPP that will affect your decision on when to retire. Ultimately, the government is encouraging people to work longer before drawing their CPP pension by reducing the incentive to retire early, and increasing the incentive to retire later. These changes will take place gradually over the next 5 years.

Retiring Early?

Currently, if you decide to take your CPP retirement pension before age 65, you have to stop working or significantly reduce your earnings for at least two months. Beginning in 2012, you will be able to take your CPP retirement pension at any time after age 60, even if you are continuously employed, however, between 2012 and 2016, the Government will gradually increase the early CPP early retirement pension reduction from the current 0.5% to 0.6% per month. This means that, by 2016, if you start receiving your CPP pension at age 60, your pension will be 36% less than it would have been if you had taken it at 65.

Retiring Later?

If you decide to work beyond age 65, your CPP retirement pension will increase from the current 0.5% per month to 0.7% per month. This increase will be introduced gradually from 2011 to 2013. This means that, by 2013, if you start receiving your CPP retirement pension at age 70, your pension amount will be 42% more than it would have been if you had taken it at 65.

Other Changes

- If you are under age 65 and you continue work while receiving your CPP retirement pension, you and your employer will have to make CPP contributions. These contributions will increase your CPP retirement benefits.
- If you are age 65 to 70 and you work while receiving your CPP retirement pension, you can choose to make CPP contributions. These contributions will increase your CPP retirement benefit.
- The number of years of low or zero earnings that are automatically dropped from the calculation of your CPP pension will increase.

GOVERNANCE Corner

As mentioned in our last newsletter, CAPSA Guideline No. 4 has 11 governance principles designed to assist pension plan administrators meet their governance responsibilities. The following are the first 3 principles:

Principle 1: Fiduciary Responsibility

The plan administrator has fiduciary and other responsibilities to plan members and beneficiaries. The plan administrator may also have fiduciary and other responsibilities to other stakeholders.

Principle 2: Governance Objectives

The plan administrator should establish governance objectives for the oversight, management, and administration of the plan.

Principle 3: Roles and Responsibilities

The plan administrator should clearly describe and document the roles, responsibilities, and accountability of all participants in the pension plan governance process.

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



121 King Street West, Suite 2100, Toronto, Ontario M5H 3T9

Telephone: (416) 863-9159 Fax: (416) 863-9158

info@bayneswhite.com www.bayneswhite.com (website under construction)