



MEBP NEWS

Manitoba Municipal
Employees Benefits Program
Fall 2012

The Year in Review

In 2012 MEBP staff was kept busy with the day to day administration of the plans, as well as implementing plan and policy changes. The following is a summary of some of the changes that took place in 2012:

1. Effective July 2012, the Board of Trustees approved a contribution rate increase for the Pension Plan.
2. In their 2012 Budget, the Manitoba Government introduced a 7% retail sales tax on certain group insurance contracts.
3. Manitoba Pension Regulation required that MEBP collect interest from employers who submit late contributions.

Also in 2012:

1. The review and updating of the Pension Plan Text and the Disability Income Plan Text due to policy and legislative changes, was completed and new versions of the documents are now available on our website.
2. MEBP staff organized Pre-Retirement Seminars in Gimli, Thompson and Brandon and Administration Seminars in Dauphin, Bossevain, Arborg, Altona and Winnipeg.
3. Work continued on the new Employee Benefits Information Booklet which will be available to members in 2013.

Municipal Employees Pension Plan – Contribution Rate Increases

A Pension Plan Valuation was completed as at December 31, 2011 by the actuarial firm of Towers Watson and a report was presented to the Board of Trustees on May 10, 2012. The valuation results concluded that as at December 31, 2011 the Plan was 97.5% funded and had a going-concern deficiency of \$11,767,000.

A going-concern deficiency means that current assets are not sufficient to pay the pension benefits that have been promised. The valuation also determined that the current contribution rates are not enough to cover the cost of the pension benefits that accrue each year.

In order to ensure that pension contributions collected from members and employers continue to fund the cost of annual pension benefits and pay for the going-concern deficiency, the Board of Trustees approved increases to the Pension Plan contribution rates effective July 2012 and January 2013.

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Tips for Registered On-Line Users

To bookmark the site for MEBP On-Line Services on the website, you must bookmark the homepage: **www.mebp.mb.ca**

Please note that book marking 'mypension.ca' will not access your information.

MEBP NEWS is published for members of the Municipal Employees Benefits Program. Comments or suggestions are welcomed. Contact us at:

MEBP NEWS

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www.mebp.mb.ca

Municipal Employees Pension Plan – continued

The current contribution rates came into effect on payroll cheques dated July 1, 2012 or later and are as follows:

7.3% up to the CPP Yearly Maximum Pensionable Earnings (YMPE - \$50,100 in 2012) and 8.5% on earnings above \$50,100

If you are a member that **does not** participate in the Disability Income Plan, effective July, 2012, the current contribution rates are:

7.4% up to the CPP Yearly Maximum Pensionable Earnings (YMPE - \$50,100 in 2012) and 8.6% on earnings above \$50,100

The second rate increase will take place on payroll cheques dated January 1, 2013 or later; the contribution rates will be:

8.3% up to the CPP Yearly Maximum Pensionable Earnings (YMPE - \$51,100 in 2013) and 9.5% on earnings above \$51,100

If you are a member that **does not** participate in the Disability Income Plan, effective January, 2013, the contribution rates will be:

8.4% up to the CPP Yearly Maximum Pensionable Earnings (YMPE - \$51,100 in 2013) and 9.6% on earnings above \$51,100

A review of the following table, which provides a breakdown of current contribution rates for public sector plans registered in Manitoba, shows that the Municipal Employees Pension Plan continues to be reasonably priced and cost-effective.

	Rate Up to the YMPE	Rate Over the YMPE	Date of Future Rate Increases
Winnipeg Civic Employees Pension Plan	8.55%	10.6%	Effective 2013 9.0% & 11.2% Effective 2014 9.4% & 11.8%
Healthcare Employees Pension Plan	7.6%	9.2%	Effective 2013 7.9% & 9.5%
Civil Service Superannuation Fund	6.5%	7.5%	Effective 2013 7.0% & 8.0% Effective 2014 7.5% & 8.5%
Teachers' Retirement Allowances Fund	7.3%	8.9%	Effective 2013 7.8% & 9.4% Effective 2014 8.3% & 9.9%

Disability Income Plan - Updates

A plan amendment and a policy change affected the Disability Income Plan in 2012.

The amendment to the plan text was passed by the Board in March and it clarifies the position of the Board in regard to eligibility for participation and benefits under the Disability Income Plan.

The Board confirmed that eligibility for participation and benefits end on the date a member ceases to be an active member of the Pension Plan. **If you are an active member of the Pension Plan and Disability Income Plan and wish to apply for disability benefits, you should not terminate your employment.**

The policy change to the plan was approved by the Board of Trustees in September. It deals with the length of the appeal process for members who are notified that their disability claim has been denied, discontinued or reduced. A plan

member has 30 days from the date of notification to file a written appeal. The old policy stated that the member than had 12 months to provide additional medical evidence to support the appeal. The new policy now states that a plan member has **90 days** from the date of the notification to provide additional medical evidence to support their appeal. Additional time may be granted if requested by the member and approved by the Board.

Reminder: If you have experienced a 50% reduction in employment earnings due to a medical condition and the medical condition is expected to continue beyond 18 weeks (approximately 4 months), you may be eligible to apply for disability benefits.

You should submit a disability claim no later than 18 weeks after your last day of work. A claim filed after the 18 weeks has expired, may result in lost disability benefits. Please refer to our website or contact our office for additional information.

Focus on Benefits

In this edition of MEBP News we focus on the Group Insurance Plan. The information provided is only a summary. For additional information visit our website or contact our office.

The Plan is administered by the Municipal Employees Benefits Board (MEBP) based on an agreement (policy) that is in place with an insurance carrier. The insurance carrier is responsible for claims adjudication and processing of payments and as the administrator of the agreement, MEBP is responsible for processing and maintaining all changes to employee records and documents.

The Group Insurance Plan consists of 5 different types of insurance coverage:

1. **Basic Life Insurance** - is insurance on your life only and is payable to your named beneficiary upon your death.
2. **Basic Accidental Death & Dismemberment Insurance (Basic AD&D)** – Is insurance which may be payable to your named beneficiary if you die as a result of an accident or it may be paid to you directly if you suffer a loss as a result of an accident.
3. **Family Life Insurance** - offers life insurance coverage on the lives of your eligible family members.
4. **Optional Life Insurance (formerly known as Voluntary Life Insurance)** - provides additional insurance on your life only and is payable to your named beneficiary upon your death.
5. **Voluntary Accidental Death & Dismemberment Insurance (Voluntary AD&D – formerly known as Voluntary Accidental Insurance)** - provides insurance benefits when death occurs due to an accident or if loss of use occurs due to an accident. There are two types of coverage options under Voluntary AD&D: Employee Only coverage or Employee & Family coverage.

Participation in Basic Life Insurance and the Basic AD&D Insurance is mandatory if you work for a participating employer that offers the Group Insurance Plan and you are eligible to join the Pension Plan. All other components of the Group Insurance Plan offer voluntary participation. There is no additional cost for Basic AD&D Insurance as it is included in the cost of Basic Life Insurance.

As a member of the Group Insurance Plan you should review the following information to make sure that your beneficiary designation is up to date and that your coverage is maintained.

1. Beneficiary Designation

You may name one or more people, your estate or an institution as a beneficiary. If you name more than one person, you must specify the percentage of the death benefit that you want each beneficiary to receive. If a percentage is not specified, the death benefit will be paid in equal

shares. Also, it is very important that you name a trustee if a beneficiary is under the age of 18. If you are not sure as to the designation of a trustee, we recommend that you consult with a legal advisor.

Your beneficiary designation is revocable. This means that you can change or update your beneficiary designation at any time prior to termination of employment or retirement, by completing the required change form. It is important that you periodically review your beneficiary designation to make sure that it is up to date.

You can name a contingent (alternate) beneficiary. The contingent beneficiary must be clearly stated on the beneficiary designation form or on a signed and dated attachment to the form.

2. Approved Leave of Absence or Layoff

An approved leave of absence can be with or without pay. If your employer approves a leave of absence with pay, you will continue to receive employment earnings and you will continue to contribute to your insurance plan(s).

If you are approved for a leave of absence or are laid off without pay, you have the option to continue making contributions to the plan(s) during the period that you are absent from work. You can submit an application to continue to contribute to the plan **prior** to the start of your leave. Any top-up pay and/or leave allowance received from your employer during a period of approved absence are not considered to be employment earnings and your employer will not deduct contributions.

If you choose not to continue making contributions while on a leave of absence or layoff, your insurance coverage will lapse and you will cease to have coverage. Your coverage under the plan will resume once you return to work and your employer starts to take contributions from your employment earnings.

3. Termination of Employment or Retirement

Your coverage under the plan will end on your termination or retirement date. The termination or retirement date is the last day for which you receive pensionable earnings from your employer (unless you are on Leave or Lay Off).

If you retire from the Pension Plan and your Basic Life Insurance was active on the date of retirement, you will be given the option to participate in a Post Retirement Life Insurance Plan.

If you terminate from the Pension Plan and your Basic Life Insurance was active on the date of termination, you have the option to convert your insurance coverage to an individual policy up to age 65 directly with the insurance carrier, without providing evidence of insurability. An application form, available from MEBP, is required to be completed and remitted directly to the insurance carrier, within 31 days after your group coverage ends. The cost of the individual policy will be determined by the insurance carrier.

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4. 7% Retail Sales Tax (RST)

In the 2012 Budget, the Manitoba Provincial Government introduced a 7% Retail Sales Tax. Effective July 15, 2012 the RST is required to be applied to group insurance contracts, including life, family and accidental death and dismemberment insurance. Employers are required to include the 7% RST on insurance contributions deducted from members and insurance contributions paid by the employer on behalf of members.

It is important that you review your beneficiary designations and insurance coverage to make sure that they are up to date and that they reflect life changes. If you require assistance or additional information, please contact our office.

MEBP Staff & Trustee News

We wish to welcome Stuart Olmstead to the Board of Trustees. Stuart became a board member effective March 1, 2012.

We would like to dedicate this edition of the MEBP News to Mr. George Harbottle who passed away on February 5, 2012. Mr. Harbottle served as a member of the MEBP Board of Trustees since January 1, 2004.

Tips for Members

You can view and print a history of your earnings and contributions to the Canada Pension Plan (CPP) and review your estimated benefits on line. For more information, please contact Service Canada – Canada Pension Plan toll-free at 1-800-277-9914 or visit the Service Canada website at www.servicecanada.gc.ca

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