

BENEFIT PLANS

Benefit Cyclical Review 2008 / 2009

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BENEFIT CYCLICAL REVIEW 2008/2009

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The Benefits Committee of the NAV CANADA Joint Council (NCJC) recently completed its review of NAV CANADA's Benefit Plans (Health Care, Dental Care, Life Insurance Plan and Disability Insurance Plans). The committee is made up of representatives from NAV CANADA and the NAV CANADA Bargaining Agents Association (NCBAA).

With economic instability a global reality, many Canadian companies have been forced to reduce the benefits provided to their workforces. Many have also significantly reduced or eliminated benefits for their retirees. Health care costs are also escalating at a rapid pace, adding to the challenge of maintaining all-inclusive benefit plans.

As part of the Benefit Cyclical Review, the Benefits Committee endeavoured to find a collaborative solution to ensure that NAV CANADA Benefit Plan funds are utilized in the most efficient manner to meet the long-term needs of our employees and retirees.

As a result of the Committee's mutual understanding and collaborative approach, the NCJC approved the following changes to NAV CANADA's Benefit Plans for represented employees and retirees as recommended by the Benefits Committee. This newsletter describes the details of these changes, and you will be advised when the NAV CANADA Benefits Online booklet has been updated on our portal, Source.

If you have any questions, please contact your Pay & Benefits Advisor or Pension Advisor. Contact information is available on page 6. ■



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HEALTH CARE PLAN

The following modifications to the Health Care Plan provisions have been approved effective May 1, 2009 with the exception of the Pay Direct Drug Card which will be effective September 1, 2009.

Benefit Improvements – for all plan members

Emergency Travel Health Care Expenses

The Health Care Plan will cover 100% of reasonable and customary charges for eligible emergency health care expenses outside the province of residence to a maximum reimbursable amount of \$1,000,000 for each covered person for any one period of travel of up to 60 days from date of departure.

Health Care Practitioner – Acupuncturist

The Health Care Plan will cover 100% of reasonable and customary charges for the services of an acupuncturist up to an annual maximum reimbursable amount of \$300. To be eligible, the acupuncturist must be licensed, registered, or certified through the respective provincial licensing body or professional organization as the case may be.

The current professional designations* accepted to provide acupuncture services are as follows:

- Medical Doctor (M.D.)
- Doctor of Acupuncture (D. Ac.)
- Registered Acupuncturist (R. Ac.)
- Doctor of Traditional Chinese Medicine (DTCM)
- Registered Acupuncture Practitioner (RAP)

- Certificate from Acupuncture Foundation of Canada Institute (C.A.F.C.I.)

*These designations are subject to change based on their licensing, registration and certification accepted by Sun Life Financial.

Contraceptives

Non-oral contraceptives prescribed by a Doctor and dispensed by a licensed pharmacist or a Doctor will now be permitted as eligible expenses under the Health Care Plan.

Dispensing Fee Cap

A Dispensing Fee Cap of \$7.50 will no longer apply to prescription drug claims. This provision has been replaced with a per script fee. Refer to page 3 for more details.

Benefit Improvements – for active employees

A Health Spending Account (H.S.A.) of \$750 per annum

Each Represented Employee (regardless of single or family coverage) covered by the Health Care Plan, will have one annual H.S.A. of \$750. The H.S.A. can be used to claim any eligible health or dental expenses (in addition to those already covered under the regular Health and Dental Care Plans) for the covered employee and/or eligible dependants. The \$750 annual amount is not transferable to a cash value and cannot be carried-over to the next calendar year, if not used. If coverage under the Health Care Plan begins after March 31, the employee will be entitled to a portion of the \$750 annual benefit. \$187.50 will be allotted for each calendar quarter remaining based on the start date of the coverage: January to March (\$750), April to June (\$562.50), July

to September (\$375) and October to December (\$187.50). A new claim form designed specifically for the H.S.A. claims is available on Source under the Human Resources community Forms portlet. Please be advised that H.S.A. expenses claimed by Quebec residents during a calendar year are considered a taxable benefit under the Quebec Taxation Act. NAV CANADA will provide Quebec residents with the total amount used during the calendar year that must be reported on their Quebec Provincial Income Tax Return. For more information on what is covered, access the Health Spending Account link on your profile homepage of the Sun Life Financial website or contact a Sun Life Financial representative. See Q&A section on page 5 for information on how to claim eligible expenses.

Pay Direct Drug Card

Each Represented Employee covered under the NAV CANADA Health Care Plan will have access to a pay direct drug card as of September 1, 2009. With this feature, when filling a prescription at the pharmacy, covered employees will know immediately if a prescribed drug is covered and how much the plan will reimburse. Please note that paper-based claims for prescription drugs will continue to be accepted by Sun Life Financial. More information will be provided via an Online Bulletin in July 2009.



Cost Containments – for all plan members

The Benefits Committee is mindful and pragmatic in our approach to the most efficient use of plan funds, to ensure plan sustainability for our members. To that end, the following cost containment initiatives will be implemented effective May 1, 2009.

Comprehensive Coverage

Comprehensive Health Care coverage for employees or retirees permanently residing outside Canada and not eligible to be covered under a provincial health care plan will no longer be provided by NAV CANADA. Current employees/retirees covered under Comprehensive Health Care coverage as of April 30, 2009 will be able to maintain their coverage unless the coverage is cancelled by the employee/retiree.

Per Script Fee

A per script fee of \$4.00 will now apply to eligible prescription drugs claimed under the Health Care Plan. The script fee will

be charged after the 80% co-insurance has been calculated. Note: A script refers to every drug identification number (DIN) on each receipt claimed.

Weight Loss Drugs

Charges for prescription weight loss drugs will be considered an eligible expense only if the member is deemed obese as defined by the World Health Organization. This provision would include injectable vitamins and dietary supplements prescribed by a physician in conjunction with a weight loss program. Please note that the *special authorization form for anti-obesity medication* must be submitted to Sun Life Financial and approval received before a claim can be processed. This form is available on Source under the Human Resources community Forms portlet.

Orthotic inserts

The Health Care Plan will cover 100% of reasonable and customary charges for orthotic inserts up to an annual maximum reimbursable amount of \$300.

DENTAL CARE PLAN

The following benefit improvement to the Dental Care Plan provisions have been approved effective May 1, 2009.

Dental Implants

Implant expenses continue to be excluded from eligible expenses. The Dental Care Plan will cover the reasonable and customary amount payable for the least expensive alternate dental procedure that could have been performed and approved in lieu of implant dental procedures. The applicable co-insurance rate for the approved alternate procedure will be applied. Please refer to the NAV CANADA Benefits Online booklet for the applicable co-insurance Dental Care rates.

HEALTH AND DENTAL CARE PLANS ADMINISTRATION

The following benefit plan administration changes will apply to all plan members.

Deadline for submitting claims

The claims deadline for submitting eligible expenses under the Health Care Plan is now March 31. That is, proof of claim must be received by Sun Life Financial no later than 3 months after the end of the Calendar Year during which the expenses were incurred. Sun Life Financial will process 2008 eligible expenses until June 30, 2009 but will administer the Health Care Plan under the new deadline provision for 2009 Calendar Year claims.

Positive Enrolment

Effective September 1, 2009, Sun Life Financial will administer the Health Care and Dental Care Plans based on information provided by NAV CANADA's Human Resources System regarding the eligible plan membership of employees/retirees and their dependant(s). As such, each covered employee and retiree must provide acceptable proof of eligibility to NAV CANADA for each dependant covered under the Health and Dental Care Plans. Only members who have provided acceptable proof of eligibility for themselves and their dependants (i.e.: Birth Certificate, Marriage Certificate or Statutory Declaration of

Common Law Status, proof of full-time enrolment in a post-secondary institution or approved disability status for children over age 21) will be covered as of September 1. More details will be provided in May 2009 via Online Bulletin/Communiqué. Information about missing documentation and what action is required by each employee and retiree will be included in this Online Bulletin/Communiqué.



POST-RETIREMENT HEALTH CARE PLAN – ELIGIBILITY

Effective January 1, 2010, all new represented retirees will be eligible to join a Post-Retirement Health Care Plan to be established, sponsored and administered by the NCBA. Rather than joining the NAV CANADA Post-Retirement Health Care Plan, all represented employees who retire on or after January 1, 2010 will be offered the opportunity to join only the NCBA Health Care Plan. This plan will afford these retirees with similar benefits as currently enjoyed, the only difference is that the new plan will be entirely administered and sponsored by the NCBA. The new NCBA Post-Retirement Health Care Plan will be facilitated through a one-time lump sum transfer of \$30 million from NAV CANADA to the NCBA Trust to be used to offset represented retiree premiums. (Note: The NAV CANADA Post-Retirement Health Care Plan will only be available to those who retire prior to January 1, 2010).

This arrangement provides the NCBA with the independence to establish their new plan and manage post-retirement health care benefits for their members. This transaction will also provide NAV CANADA with a one-time accounting gain to its fiscal year 2009.

NAV CANADA will include specific NCBA Post-Retirement Health Care Plan premium and enrolment information in all future correspondence related to individual retirements occurring on or after January 1, 2010.

POST-RETIREMENT BASIC LIFE INSURANCE PLAN – COST SHARING ARRANGEMENT

The Cost Sharing Arrangement sets out the percentage of premiums that are paid by the employee/retiree and NAV CANADA.

Effective January 1, 2010, all new retirees will be responsible for 100% (from 91.7%) of the cost of the post-retirement Basic Life Insurance Plan, including the first \$5,000 of coverage at age 65.



QUESTIONS & ANSWERS

What is the amount of my Health Spending Account for 2009?

Despite the May 1st effective date of the H.S.A. for 2009, the entitlement will not be pro-rated to \$562.50 as indicated in the provision details on page 2. Members of the Health Care Plan as of March 31, 2009 will be entitled to the full \$750 for this calendar year. Members of the Health Care Plan as of April 1, 2009 will be subject to pro-ration as indicated in the provision details on page 2. Please note that claims for expenses incurred prior to May 1, 2009 (or the effective date of H.S.A.) will not be deemed eligible expenses under the Health Spending Account.

What is the deadline to claim health or dental expenses against my Health Spending Account?

All proof of claims under the Health Spending Account must be received by Sun Life Financial no later than March 31 following the end of the Calendar Year during which the expenses were incurred.

How can I claim against my Health Spending Account?

If you are an eligible employee claiming health or dental expenses in whole or in part under your Health Spending Account, you must: pay the expense and get a receipt, complete the Health Spending Account claim form, available on Source, and check the box in Part 3 for health expenses or Part 5 for dental expenses and mail your claim to Sun Life Financial.

Alternatively, you can submit your claim electronically for expenses incurred during the current calendar year. Just go to <https://www.sunnet.sunlife.com/member/signin/index.asp?>, sign in with your Access ID and password, click on “my claims” and then click on “Health Spending Account e-claim” under the Submit a claim tab. You can get an Access ID and password by calling Sun Life Financial at 1-800-361-6212.

Example: if expenses for prescription lenses with frames totals \$500, the Health Care Plan would cover \$200 and the remaining \$300 can be claimed against the H.S.A.

Please note that expenses incurred in the previous calendar year must be processed using a paper-based claim.

How does the Pay Direct Drug Card work and how can I obtain my card?

More information related to the use of the drug card feature will be issued via Online Bulletin in July 2009.

Where should I send my supporting documents for Positive Enrolment?

Detailed instructions will be provided to all employees and retirees over the summer months. Please do not send any documentation until notified. NAV CANADA’s Human Resources is currently reviewing all documentation on file to avoid unnecessary duplication.

How will the per script fee apply to my prescription drug claims?

A three-month supply of the same prescription

drug (1 DIN) that is filled at one time will incur a \$4 charge. For example, the amount reimbursed under the plan for a three-month supply of the same drug at a total cost of \$100 would be \$76 (\$80 after the coinsurance is applied, less the \$4 per script fee). Or, the amount paid for a prescription filled with two different drugs (2 DINs) at a total cost of \$100 would be \$72 (\$80 after the coinsurance is applied, less \$8, i.e.: two per script fees of \$4).

What is the definition of obese under the World Health Organization (WHO)?

The International Classification of obesity defined by the WHO is based on the Body Mass Index (BMI). The BMI is a simple index of weight-for-height that is commonly used to classify underweight, overweight and obesity in adults. It is defined as the weight in kilograms divided by the square of the height in metres (kg/m²). To be considered obese under the WHO, your BMI must be equal or greater than 30.0. To find out more about the BMI and the WHO, refer to their website at <http://www.who.int/bmi/index.jsp>.

Where can I find information about the new NCBA Post-Retirement Health Care Plan?

General information will be available through your bargaining agent association later this year. NAV CANADA will include specific NCBA Post-Retirement Health Care Plan premium and enrolment information in all future correspondence related to individual retirements occurring on or after January 1, 2010.

SUN LIFE FINANCIAL CONTACT INFORMATION

When contacting Sun Life Financial by telephone regarding health and dental care benefits/claims, take note of the name of the Sun Life Financial Representative as well as the date and time of the call, for future reference. The contract number (25298) and personalized member ID will be required to properly direct the call.

The toll free
telephone number is
1-800-361-6212

NAV CANADA CONTACT INFORMATION

	Telephone
Toll-free number	1-877-361-0003
Email: payrollops@navcanada.ca pensions@navcanada.ca benefits@navcanada.ca	
Benefits	
Myreille Campeau Benefits Programs Manager	(613) 563-5580
Kelly Ryan Benefits Specialist	(613) 563-4083
Anne Twilley Benefits Advisor	(613) 563-3853
Payroll	
Maureen Lennox Payroll Operations Manager	(613) 563-5729
Pay & Benefits Advisors	
Monique de Medeiros Management Pay & Benefits Co-ordinator	(613) 563-5424
Jacqueline Desjardins New Brunswick/HO	(613) 563-5789
Céline Lefebvre Quebec/HO	(613) 563-7245
Carole Poirier Quebec/HO	(613) 563-5688

	Telephone
Diane Marchand Ontario/HO	(613) 563-3700
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