The Public Service Management Insurance Plan

Executive Booklet
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**APPENDIX** 14
**WHAT IS THE PUBLIC SERVICE MANAGEMENT INSURANCE PLAN?**

The Public Service Management Insurance Plan (PSMIP) provides Public Service employees excluded from collective bargaining with group life insurance, accidental death and dismemberment insurance, dependants' insurance, and long-term disability insurance.

Certain lines of insurance under the Plan are available to all members while others are restricted to certain senior level employees. This booklet describes the employer-paid coverage which is available exclusively to these senior level employees, as well as the long-term disability and supplementary life insurance to which they also have access. Other members of the plan should refer to the booklet entitled *The Public Service Management Insurance Plan – Main plan booklet* for a description of the benefits available to them.

The National Life Assurance Company of Canada is the principal insurer (the Insurer) for the Plan. It evaluates statements of health, approves and denies claims for benefits, receives and invests premiums on behalf of the Plan, monitors the Plan’s financial and underwriting experience, reports annually to the Board of Trustees on the status of the Plan’s finances, brings matters of concern to the attention of the Trustees and responds to matters raised by the Trustees, as the need arises.

The Board of Trustees, which administers the PSMIP, is composed of senior government officials appointed by the Treasury Board. As policyholder, the Board of Trustees has a continuing responsibility to review the provisions of the Plan and recommend changes as required, to review the financial experience of the Plan periodically to ensure the Plan’s solvency, and to consider problems arising out of the administration and adjudication of claims. The Trustees provide members with an annual report on the Plan’s administration and financial affairs.

This booklet provides general information on the major benefit provisions of the PSMIP. Your compensation specialist can provide information on eligibility for membership, application procedures, beginning of coverage, coverage during leaves of absence or other periods without pay, termination or cancellation of coverage, premium rates and other provisions of the Plan.

The complete terms and conditions of the Plan are set out in a contract of insurance between the Board of Trustees and the Insurer. **IN ANY CASE OF CONFLICT BETWEEN THIS BOOKLET AND THE INSURANCE CONTRACT, THE TERMS OF THE CONTRACT SHALL PREVAIL.**
WHAT INSURANCE IS PROVIDED UNDER THE EXECUTIVE PLAN?

If you are covered under the Executive Plan, you are automatically entitled to basic life, accidental death and dismemberment, and dependants’ insurance, at the employer’s expense. For Federal Income Tax purposes, the premium paid by an employer for life insurance (i.e. premium for basic life and the life insurance portion of your dependants’ coverage) on behalf of its employees constitutes a taxable benefit and is considered taxable income in the hands of the insured. Provincial tax laws may differ and you should consult your local taxation office to find out more about the rules applicable to your province of residence.

Your employer-paid coverage consists of all three lines of insurance, regardless of whether you require or want a particular line. Although you can waive your entitlement to the coverage as a whole, it is not possible to opt out of only one or two lines of insurance. If you waive your entitlement to insurance under the executive plan and you subsequently change your mind, reinstatement of your coverage would be subject to Treasury Board approval and would not be effective until the fifth anniversary of your request for reinstatement.

Basic Life Insurance

How is basic life insurance calculated?

Your employer-paid basic life insurance is based on your annual salary adjusted to the nearest $1,000 (for example, all salaries in the range $79,500.01 to $80,500 would be regarded as $80,000). This $80,000 is the adjusted salary. The definition of salary is the same as that used for the Supplementary Death Benefit under the Public Service Superannuation Act (PSSA). The amount of your basic life insurance is equal to twice your adjusted salary. The amount of this insurance will be revised to reflect any changes in your salary resulting from salary-rate adjustments, merit increases and promotions. In the case of retroactive salary changes, coverage will change on the first of the month following the month in which the change was authorized. The amount of your basic life insurance will not decrease in relation to your age, as supplementary life insurance does (see ‘Supplementary Life Insurance’).

If you die from any cause, the amount of basic life insurance in force at that time will be paid to your beneficiary.

You may name your own beneficiary. Your beneficiary may be one or more than one person including a minor. It can also be a charitable organization or your estate. If you wish to change beneficiaries at any time, you may do so (subject to any applicable provincial law) by completing the necessary card, available from your compensation specialist. If you do not name a beneficiary, or if your beneficiary predeceases you, benefits will be paid to your estate.

Accidental Death and Dismemberment Insurance (AD&D)

How does AD&D insurance work?

The principal sum of your employer-paid AD&D insurance is $250,000.

If you sustain any of the following losses solely as a result of an accident, the following benefits will be paid to you or your beneficiary in addition to any life insurance or LTD benefits payable under the Plan.
**Schedule of amounts of insurance**

<table>
<thead>
<tr>
<th>Condition</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>the principal sum</td>
</tr>
<tr>
<td>Both hands OR both feet</td>
<td>the principal sum</td>
</tr>
<tr>
<td>Sight of both eyes</td>
<td>the principal sum</td>
</tr>
<tr>
<td>One hand AND one foot</td>
<td>the principal sum</td>
</tr>
<tr>
<td>One hand OR one foot AND sight of one eye</td>
<td>the principal sum</td>
</tr>
<tr>
<td>Speech AND hearing</td>
<td>the principal sum</td>
</tr>
<tr>
<td><strong>Quadruplegia</strong> <em>(total and irreversible paralysis of all four limbs)</em></td>
<td>the principal sum</td>
</tr>
<tr>
<td><strong>Paraplegia</strong> <em>(total and irreversible paralysis of both lower limbs)</em></td>
<td>the principal sum</td>
</tr>
<tr>
<td><strong>Hemiplegia</strong> <em>(total and irreversible paralysis of one arm AND one leg on the same side of the body)</em></td>
<td>the principal sum</td>
</tr>
<tr>
<td>One leg OR one arm</td>
<td>⅜ of the principal sum</td>
</tr>
<tr>
<td>One hand OR one foot</td>
<td>½ of the principal sum</td>
</tr>
<tr>
<td>Speech OR hearing</td>
<td>½ of the principal sum</td>
</tr>
<tr>
<td>Sight of one eye</td>
<td>½ of the principal sum</td>
</tr>
<tr>
<td>Thumb AND index finger <em>(of the same hand)</em></td>
<td>¼ of the principal sum</td>
</tr>
</tbody>
</table>

Losses must be suffered within 90 days from the date of the accident. The total amount payable for all losses sustained in any one accident is limited to $250,000.

These benefits are not payable in the event of loss arising from suicide or self-inflicted injury. Benefits are not payable if the loss results from war or any act of war, unless the incident occurs while you are outside Canada at the direction of the employer, on posting, on assignment or in travel status. Benefits are also not payable if the loss was caused by disease, bacterial infection, taking poison, or participating in any riot or civil strife.

**Dependants’ Insurance**

**What kind of coverage is provided with respect to my dependants?**

This coverage consists of life insurance and AD&D insurance for your dependants, who are defined as:

- your spouse *(i.e. a person to whom you are legally married), or a person who resides and has resided with you for a period of at least one year and whom you have publicly represented as your spouse;*
all of your unmarried children over the age of 14 days but not yet 21 years old (25 in the case of full-time students enrolled in a school or university) who are not employed on a regular, full-time basis and who are dependent on you for support.

The amounts of insurance are:

- life insurance of $5,000 on the life of your spouse and $2,500 on the life of each child. If one of your dependants dies from any cause while insured, the amount of life insurance in force on the life of the dependant will be paid to you;

- AD&D insurance in a principal sum of $5,000 on the life of your spouse and $2,500 on the life of each child. The proportions of the principal sum payable for a loss suffered by one of your insured dependants, and all other conditions, are identical to those of the AD&D insurance available to you as described above.

Supplementary Life Insurance

Can I buy any additional insurance?

You may apply for supplementary life insurance equal to your adjusted salary. Taken together with your basic life insurance, this additional coverage would bring the total amount of your life insurance under the Plan to three times your adjusted salary. EVIDENCE OF YOUR INSURABILITY SATISFACTORY TO THE INSURER IS NEEDED FOR SUPPLEMENTARY LIFE INSURANCE, NO MATTER WHEN YOU APPLY.

The amount of supplementary life insurance decreases after age 60. On the first of the month following your 61st birthday, the insured amount becomes 90 per cent of one year’s adjusted salary. It becomes 80 per cent of one year’s adjusted salary one year later, and so on. However, coverage will never be less than 10 per cent of one year’s adjusted salary while you remain employed in the Public Service.

As with basic life insurance, if you die from any cause, the amount of supplementary life insurance in force will be paid to your beneficiary. If your beneficiary predeceases you, or if you have not named one, the benefits will be paid to your estate.

The premium rates for supplementary life insurance are related to your sex and age. Since this line of insurance is optional, you are responsible for paying the premiums. Your compensation specialist can advise you of the premiums for this insurance.
Conversion Privilege

What happens to my insurance coverage when I leave the Public Service?

Unless you are eligible for LTD benefits or qualify for the waiver of premium benefit, all lines of insurance for which you were covered as an employee will terminate on the day you leave the Public Service, subject to the following conditions.

Basic life, supplementary life and dependants’ insurance will continue in force for a 31-day extension period. During the extension period, you will be able to obtain an individual private life insurance policy, including some types of term insurance regularly issued by National Life WITHOUT medical examination and regardless of your state of health. The policy will be available at National Life’s standard rates for your age, based on any special non-medical hazards (e.g. those hazards which an aircraft pilot could experience) to which you may be exposed. Such a policy may be for any amount up to the difference between the amount of basic and supplementary life insurance you had while actively employed and the initial amount of your post-retirement life insurance (if applicable). The life insurance portion of your dependants’ insurance may also be converted to an individual policy.

LTD and AD&D insurance cannot be converted to private policies.

You must make arrangements directly with the Insurer to convert your eligible insurance to a private policy.

Post-Retirement Life Insurance

What happens if I am entitled to a pension when I leave the Public Service?

Post-retirement life insurance was introduced as part of the PSMIP on January 1, 1989. It is available to members of the Executive Plan who were entitled to employer-paid coverage on their last day of employment and who are entitled to receive an immediate continuing pension under the Public Service Superannuation Act (PSSA). Some federal agencies and Crown Corporations, which are covered by the PSMIP, have chosen not to participate in the post-retirement life insurance portion of the plan. Your compensation specialist can advise you if you are eligible for this benefit.

How much post-retirement life insurance am I entitled to?

The amount of your post-retirement life insurance is based on the annual salary you are entitled to receive immediately before you retire from the Public Service. For insurance purposes, your final salary is adjusted to the next highest multiple of $250, if it is not already such a multiple. For example, a salary of $70,181 would be adjusted to $70,250.

During your first year of retirement, your life insurance will be equal to your adjusted final salary. During your second year of retirement, your insurance will be equal to 75 per cent of your adjusted final salary. It will be equal to 50 per cent of your adjusted final salary during your third year of retirement; and 25 per cent thereafter for life (unless your coverage is suspended, terminated or cancelled under the circumstances described below).
If you convert your life insurance to a private policy at retirement, you may later convert the full amounts by which your post-retirement life insurance decreases after each of the first three years of retirement. But, once you decide not to exercise a conversion option, you give up future chances to do so.

If you die, the amount of post-retirement life insurance in force at that time will be paid to your beneficiary. You may name your own beneficiary; should you wish to change beneficiaries at any time, you may do so, subject to any applicable provincial law, by completing the card available for this purpose from the Superannuation Directorate. If you do not name a beneficiary, the benefit will be paid to your estate. Your beneficiary or estate should contact the Superannuation Directorate who will provide the claim form and details of claims procedure.

**How much will this coverage cost me?**

Your former employer pays the full premium required to support your post-retirement life insurance. The premiums paid on your behalf for this insurance in any one year will be considered part of your income for income tax purposes.

**Can I cancel my post-retirement life insurance?**

You may cancel your post-retirement life insurance at any time by notifying the Superannuation Directorate in writing that you wish to do so. Your insurance would cease on the first day of the month following the month in which your letter was received by the Superannuation Directorate. If you do cancel your insurance, you will never be able to reinstate it – cancellation is irrevocable.

**What if I become re-employed in the Public Service?**

If you should become re-employed in the federal Public Service and become eligible as an active employee for insurance under the PSMIP and/or become a contributor under the PSSA and therefore cease to draw a pension, your post-retirement life insurance will be suspended until you retire a second time. When your post-retirement life insurance resumes, it will do so at the level of benefits (100%, 75%, 50% or 25% of adjusted final salary) in effect when it was suspended, but it will be based on the higher of your first and your second final salaries. Should you enter service with the Canadian Armed Forces or the Royal Canadian Mounted Police, ask your new compensation specialist to explain to you how your employment will affect your life insurance.

**What if I am receiving a disability pension under the PSSA and regain my health?**

If you qualify to carry post-retirement life insurance by virtue of an entitlement to a disability pension under the PSSA, and you recover your health sufficiently to cease to qualify for that pension, one of two things will happen. If you are eligible, and choose to apply for a reduced annual allowance, your life insurance will continue without interruption. If you are not eligible, or if you are eligible and do not choose to apply for an immediate annual allowance under the PSSA, your life insurance will terminate immediately upon the termination of your disability pension, and it will not be reinstated when your pension entitlement resumes at a later date.
Living Benefit

What is the ‘Living Benefit’?
This benefit, which came into effect in February 1994, provides members who have a terminal condition (i.e. are terminally ill) with a portion of the life insurance benefit which would otherwise be payable to their beneficiary on their death.

What is a terminal condition?
A terminal condition means an injury or illness that is expected to result in death within 24 months and from which there is no reasonable prospect of recovery as determined by the Insurer.

How is the living benefit calculated?
In general, the amount payable is the lesser of 50 per cent of the total amount of insurance on your life and $50,000.

How do I apply for the benefit?
You can request this benefit by writing to the Insurer at the address shown in the last section of this booklet. You will be required to provide all medical information necessary to permit the Insurer to determine whether you are suffering from a terminal condition as defined in the Plan. You and your beneficiary will be required to sign a ‘Living Benefit Agreement’.

Are there any other restrictions?
A benefit is not payable if all or a portion of your life insurance is to be paid to your former spouse as part of a divorce agreement.

If I receive a living benefit, what effect will it have on the amount payable on my death?
The amount payable as a living benefit will be deducted from the amount otherwise payable under the Plan to your beneficiary. No interest will be charged.

Long-Term Disability Insurance (LTD)

What is LTD insurance?
LTD insurance provides income-replacement benefits during lengthy periods of total disability. Your compensation specialist can confirm your eligibility for this insurance.
Am I eligible for benefits?

If you are a member under the LTD Plan, you are eligible for benefits for up to 24 months if, as a result of a medically determinable physical or mental impairment, you are unable to perform the essential functions of your regular job. At the end of this 24-month period, if you remain totally disabled and are unable to earn two-thirds of the current salary of the position you held before you became disabled, your benefits will be continued. Your LTD benefits will continue as long as you remain totally disabled, but not, in any case, beyond your 65th birthday.

While you are receiving benefits, you must be under the active care of a physician who is a registered specialist in the field of medicine related to your disabling condition. You must also be receiving medical treatment or participating in a program of rehabilitation approved by the Insurer.

You are not eligible for benefits:

✦ if your disability is the result of a mental or physical impairment that existed before you became insured. This exclusion is lifted if you complete a continuous period of 90 days of active employment while insured for LTD, or after you have been insured for LTD for two years, whichever comes first;

✦ if your disability results from, or is related to, a normal pregnancy (without severe complications), commission of a felony, self-inflicted injury, attempted suicide, or a mental or physical impairment suffered while on active duty with any armed force; or

✦ if your disability results from, or is related to, an act of declared or undeclared war. However, this exclusion does not apply to persons who become totally disabled in this way while outside Canada at the direction of the employer.

When will my benefits start?

Your benefits begin after an ‘elimination period’ of 13 continuous weeks of total disability, or after the expiry of your paid sick leave, whichever comes later.

In most cases, the elimination period will consist of a complete absence from work for a minimum period of 13 weeks. However, in certain circumstances, periods of absence due to illness which occurred within the year immediately prior to the date total disability is considered to have begun can be used in calculating the elimination period. The first such prior period of absence must have been for a continuous period of one month. These are special circumstances which must be referred to the Insurer for a decision on an individual basis.

What happens if I retire before using all my sick leave credits?

If you voluntarily cease to be employed before exhausting your accumulated sick leave credits, your unused sick leave credits will still be counted when determining the date your LTD benefits begin. If you are considering terminating your employment prior to exhausting your sick leave credits, consult your compensation specialist to see if your termination will be considered to be a voluntary termination for LTD purposes.
**How are my benefits calculated?**

If you become totally disabled, your gross annual benefit will be 70 per cent of your insured annual salary at the end of your elimination period. The definition of salary is the same as that used for the Supplementary Death Benefit under the *Public Service Superannuation Act*. Your insured annual salary for LTD purposes is equal to your annual salary at the end of the elimination period if it is a multiple of $250, or the next multiple of $250 above that amount. A member working on a part-time basis will have his insured annual salary based on assigned hours of work. Payments are made monthly. Other income, whether it be income received as a result of being in receipt of a benefit under the PSSA or disability income under the CPP or QPP, will be deducted as an ‘offset’ from your LTD benefits.

Your net benefit (i.e. the amount payable to you after other income has been deducted), will be subject to an annual increase related to increases in the cost of living, up to a maximum of three per cent.

Any retroactive salary increase approved after the date your LTD benefits become payable affects your insured salary and benefit level only when the effective date of the increase precedes the date your LTD benefits began. Therefore, a retroactive salary increase approved in April that took effect from February 10 would only affect your LTD benefits if they began on February 11 or later.

**Example of benefit calculation**

<table>
<thead>
<tr>
<th>Step</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Your annual salary at the end of the elimination period is</td>
<td>$87,430.00</td>
</tr>
<tr>
<td>2. Your insured salary (annual salary taken to next highest multiple of $250) would be</td>
<td>$87,500.00</td>
</tr>
<tr>
<td>3. Your gross annual LTD benefit is (70% of $87,500)</td>
<td>$61,250.00</td>
</tr>
<tr>
<td>4. Less other income you are receiving</td>
<td></td>
</tr>
<tr>
<td>ex: PSSA</td>
<td>$24,000.00</td>
</tr>
<tr>
<td>CPP disability income</td>
<td>$ 8,000.00</td>
</tr>
<tr>
<td>5. Your net annual LTD benefit would be</td>
<td>$29,250.00</td>
</tr>
<tr>
<td>6. And the amount of your monthly LTD payments ($29,250/12) would be</td>
<td>$ 2,437.50</td>
</tr>
</tbody>
</table>

If the cost of living rose by two per cent, your net monthly LTD benefit of $2,437.50 would be increased by two per cent to $2,486.25 on the January 1 following the effective date of your benefits.

At the same time, your PSSA and CPP or QPP benefits would be increased in relation to rises in the cost of living. You would receive the full increases under those plans and those increases would not be deducted from your LTD benefit.

On January 1 of each subsequent year, your LTD benefit would be further increased to reflect increases in the cost of living, up to a maximum of three per cent annually.
Offsets: what types of income will be deducted from my LTD benefits?

The following are the most common examples of income that would be deducted from your LTD benefits:

✦ benefits received under the Public Service Superannuation Act (PSSA);

✦ disability benefits under the Canada Pension Plan (CPP) or the Quebec Pension Plan (QPP), excluding benefits payable to, or on behalf of, your dependants as a result of your disability;

✦ benefits under the Government Employees Compensation Act, or similar benefits under a plan of the federal government or any other government;

✦ disability benefits paid or available under another group insurance plan, or under a policy issued to you as a result of your membership in a Public Service employee union or association;

✦ disability insurance benefits under the legislation of any government, such as income replacement benefits under a no-fault automobile insurance plan; and

✦ loss-of-income benefits received under a third-party damage award.

The following are examples of income that would not be deducted from your LTD benefits:

✦ cost of living increases related to entitlements received under the PSSA, CPP or QPP;

✦ return of superannuation contributions payable to employees who have less than two years of pensionable service;

✦ benefits received under a purely private and personal insurance policy, or under a policy issued as a result of membership in a professional association not restricted to the Public Service;

✦ severance pay.

If you do not apply for benefits under the CPP or QPP and if, in the opinion of the Insurer, the medical evidence indicates that you would be eligible for CPP or QPP benefits, the Insurer has the right to reduce your basic monthly LTD benefit by the estimated amount of your CPP or QPP entitlement.

If you subsequently applied for CPP or QPP benefits and were declared ineligible, the reduction would cease, and the amounts previously withheld would be paid to you. You should note, however, that if the Insurer thinks you have grounds for a successful appeal, the reduction may be continued until the conclusion of the appeal process.

The treatment of benefits payable under the PSSA as ‘offsets’ under the LTD component of the PSMIP is illustrated on the chart attached as an Appendix to this booklet.

If you cease to be employed in the Public Service, please consult your compensation specialist prior to opting for a benefit under the PSSA. Your compensation specialist can advise you how your choice of PSSA benefit will affect your monthly LTD benefit.
What will happen to my benefits if I earn money in a rehabilitation program?

While receiving benefits, you may participate in a rehabilitation program that the Insurer has approved in writing. This could be a program of vocational training or a period of work for the purpose of rehabilitation. Depending on the circumstances, you may be able to remain in such a program for up to 24 months and still receive some benefits. Normally, the amount of your rehabilitation earnings will not be deducted from your monthly benefits unless your total income while working, together with any benefits you are receiving under the Plan, exceeds the current salary of your former position.

What if I earn money from other employment?

Please note that, if you earn money from any employment that the Insurer does not consider rehabilitative, your benefits will be reduced by the total amount of those earnings.

What if I recover but become totally disabled again?

If you were in receipt of disability benefits, recovered from the disability, and then become totally disabled again, the elimination period will be waived if you were back at work for no more than:

✦ 1 month, if the two periods of disability are due to unrelated causes;
✦ 6 months, if the two periods of disability are due to related causes; and
✦ 12 months, if the two periods of disability are due to the same cause.

What happens if the group policy terminates?

If the group policy were to terminate for any reason after your disability began, the Insurer will continue to pay any benefits for which you may be eligible, as long as you remain totally disabled during a continuous period.

Are my LTD benefits subject to income tax?

If you qualify for LTD benefits, the amount you receive will be subject to income tax. After the end of each year, the Insurer will send you a form indicating the total amount of benefits paid to you. The Insurer does not automatically deduct taxes at source, except in the case of provincial taxes payable by Quebec residents. However, if you wish, the Insurer will deduct taxes at source based on information you provide.

If you become eligible for benefits, the total amount of any premiums you have paid from the time you became a member of this Plan may be deducted for tax purposes from the amount of your disability income from the Plan. If the total amount of premiums you have paid exceeds the benefits you receive during the first taxation year in which your benefits begin, you can carry over the excess amount to the following year. You should consult your District Taxation Office for details if you become totally disabled. Your compensation specialist can help you determine the amount of premiums you have paid.
**How do I submit a claim for LTD benefits?**

If you become totally disabled and you think your disability will last long enough for you to qualify for benefits, you should notify your compensation specialist as soon as possible. Your compensation specialist will provide you with a claim form and a form for your doctor to complete.

You and your doctor must complete these statements as clearly and completely as possible. National Life adjudicates benefit claims using the medical evidence provided on the claimant’s condition. The medical information provided must be complete, and the findings must be substantiated to the fullest extent possible by detailed test results and clinical findings. If the information is not sufficient to establish that you are totally disabled, the insurer may arrange for you to be assessed by an independent medical specialist.

Accordingly, you should ask your doctor to provide a full, well-documented report that clearly outlines the objective medical evidence supporting his or her diagnosis and prognosis. If more than one doctor is involved in the assessment or treatment of your disabling condition, you should ask them all to supply the insurer with detailed medical reports. The onus is on you to provide the insurer with sufficient medical proof of total disability. Please note that any omissions or unclear statements could result in a delay in settling your claim.

It is your responsibility to ensure that your doctor completes the medical report and that the report reaches National Life without delay. All of this should be done two months prior to the end of the elimination period.

The insurer has the right to request additional medical information from your doctor, or to arrange for your examination by independent medical specialists as often as may be reasonably required. Independent medical consultation allows the insurer to assess or monitor a disability to ensure that benefits are not paid to persons who are not eligible or who have recovered to the point where they no longer qualify.

**General Information**

**What is the ‘Waiver of Premium’ benefit?**

If you become totally disabled by injury or disease to the point where you qualify for LTD benefits — or where you would qualify if you belonged to the LTD portion of the Plan — any insurance coverage (LTD, basic life, AD&D, supplementary life, dependants') in effect on the date you become disabled will be continued in force without payment of further premiums from the date your salary ceases until your recovery, death or 65th birthday, whichever comes first. You must provide proof that you were totally disabled when you first make a claim for the waiver of premium benefit, and from time to time as set forth in the policy. There is no waiver of premium benefit with respect to post retirement life insurance.

**Can I appeal the Insurer’s decision?**

If you disagree with the Insurer’s decision on an application for life insurance or a claim for benefits, you can appeal to the Insurer. If the Insurer’s decision remains unchanged, you can ask the Board of Trustees to review your case. The Board has power only to make recommendations to the Insurer and cannot overrule decisions the Insurer has made. The Insurer can tell you how to initiate an appeal to the Board of Trustees.
Who can I call for more information?

Your compensation specialist, or the Insurance Section of the Superannuation Directorate in Shediac, New Brunswick (1-800-561-7930) can provide you with further information about your coverage under the Plan.

How can I contact the Insurer?

You, or your beneficiary, can contact National Life at:

The National Life Assurance Company of Canada
Group Life and Disability Claims Department (PSMIP)
522 University Avenue
Toronto, Ontario
M5G 1Y7
Telephone: 1-800-977-2117

To speed up the handling of your claim, you should quote the group policy number (G68-1400), the name of the member, the nature of the claim, and the employing department (or agency) of the member or the office held by the member.

Who can access personal information on my file?

Personal information used to:

(i) assess an application for supplementary life insurance;
(ii) adjudicate any claim for benefits;
(iii) administer premium remitted while on leave without pay; and
(iv) convert life insurance;

is held on file at National Life. Authorized employees or other persons working for or on behalf of National Life are allowed access to the information in the file while performing their duties, as outlined above. You have the right to get access to and, if necessary, to correct the information on file. You must make any such request in writing to National Life.
## APPENDIX

Treatment of Benefits Payable Under the *Public Service Superannuation Act* (PSSA) as Offsets from Long-Term Disability (LTD) Benefits

<table>
<thead>
<tr>
<th>Circumstance</th>
<th>PSSA Option</th>
<th>Offset from LTD Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Termination with less than 2 years service</td>
<td>I. Return of contributions</td>
<td>1. No offset</td>
</tr>
<tr>
<td>II. PSSA disability retirement approved</td>
<td>I. Immediate annuity or</td>
<td>1. Offset immediately in full amount</td>
</tr>
<tr>
<td></td>
<td>2. Lump-sum payment</td>
<td>2. Offset immediately by amount</td>
</tr>
<tr>
<td></td>
<td></td>
<td>equal to immediate annuity until full amount of lump sum has been offset</td>
</tr>
<tr>
<td>III. PSSA disability retirement applied for but not approved</td>
<td>1. Deferred annuity at age 60</td>
<td>1. Offset at age 60</td>
</tr>
<tr>
<td></td>
<td>2. Annual allowance from age 50 onwards</td>
<td>2. Offset when payable</td>
</tr>
<tr>
<td></td>
<td>3. Actuarial transfer value</td>
<td>3. &amp; 4. Monthly offset at age 60 by amount equal to deferred annuity but capped when total of actuarial transfer value or lump sum has been offset</td>
</tr>
<tr>
<td></td>
<td>4. Return of contributions</td>
<td></td>
</tr>
<tr>
<td>IV. Application for PSSA disability retirement not made</td>
<td>1. Immediate annuity</td>
<td>1. Offset immediately by full amount</td>
</tr>
<tr>
<td></td>
<td>2. Deferred annuity at age 60</td>
<td>2.,3.,4., &amp; 5. Offset immediately by amount of equivalent immediate annuity unless claimant proves that an application for a disability retirement had been declined. Capped when total of actuarial transfer value or return of contributions has been offset Where such proof is provided, offsets as in III above</td>
</tr>
<tr>
<td></td>
<td>3. Annual allowance from age 50 onwards</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Actuarial transfer value</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Return of contributions</td>
<td></td>
</tr>
</tbody>
</table>