

Q. Reference: CA-NP-325

(a) When was a cap instituted in the context of the retiree benefits program and what was the amount of the cap when instituted?

(b) If the cap was either instituted or changed in amount after the inception of the Company's Retirement Income Plan in April of 1984, please provide a copy of the notice, if any, that was sent to retirees advising of the same.

A. (a) In the context of the retiree benefits program, a cap was introduced in April 1984. When instituted, the cap was a \$10,000 lifetime maximum for health/drug expenses.

(b) In April 1991, the cap was changed to a \$5,000 annual maximum for eligible expenses. Attachment A contains a copy of the letter sent to retirees advising of the change.

Letter to Retirees and Surviving Spouses (Age 65 & Over)
Benefit Coverage Changes

1991 04 18

Dear Retiree:

Subject: Benefit Coverage - Retirees (Age 65 & Over) & Surviving Spouses

Over the past year, a review has been ongoing of the employee benefit program. A number of changes in the supplementary health program have been approved for retirees (age 65 & over) and surviving spouses:

1. These improvements are listed in Attachment A and are effective April 1, 1991. One of the most significant changes for the retiree group is the modification of the previous \$10,000 lifetime maximum for health/drug expenses. This is replaced by a \$5,000 annual maximum for eligible expenses.
2. Coverage for glasses is proposed for inclusion in the benefit program in January 1992.

Questions on the changes in the benefit program may be directed to Doug Chafe (737-5775) in the Human Resources Division. If I can be of assistance to you in any other way, please do not hesitate to contact me.

Sincerely,

Nora M. Duke

Nora M. Duke
Manager, Human Resource
Planning & Administration

/eh
Enclosure

ATTACHMENT A

PROGRAM ENHANCEMENTS -
RETIREEES (AGE 65 & OVER) AND SURVIVING SPOUSES

The following benefits are payable at 80% of eligible expenses:

1. Emergency ambulance service to and from the nearest medical facility. Under the prior policy, only ambulance service to the nearest facility was covered.
2. Hospital and physician's expenses outside of Canada. Under the prior program, a 90-day maximum applied to this benefit. In the event of hospital or physician expenses incurred during business or vacation travel, the claim is first submitted under Travel Health.
3. Purchase of burn pressure garments to a maximum of \$500 per calendar year. This was not an eligible expense under prior program.
4. Hearing aids to a maximum of \$300 per ear in any consecutive 36-month period. The prior benefit level was \$300 total in any consecutive 36-month period.
5. Services of a dental or oral surgeon for injuries to natural teeth where such injury is caused by external, violent and accidental means. The injury must be reported within six months of the accident. Under the prior policy, services had to be rendered within six months.
6. Treatment by a chiropractor, osteopath, naturopath, chiropodist/podiatrist to a maximum of \$250 per calendar year for each type of practitioner. Previously, this maximum was \$6 per visit, 20 visits per calendar year. Additionally, an increase is evident from \$15 to \$25 per calendar year for x-rays by a chiropractor.
7. Speech therapy to a maximum benefit of \$250 per calendar year. The previous maximum was \$6 per visit, 20 visits per calendar year.
8. Services of a psychologist to a maximum benefit of \$250 per calendar year. Previously, this was not an eligible expense.

9. Transportation expense incurred for non-emergency service to and from the nearest medical facility which can provide necessary services, including x-rays and examinations, not readily available in the local area to a maximum of \$500 per 12-month period. Expenses for an escort, including a parent if the person incurring such expense is under 18 years of age, up to \$500 in any 12-month period.

Previously, the policy did not cover transportation expenses associated with x-rays and examinations and the benefit payable was limited to \$500 per disability. Since many claimants experience a recurring condition, this often represented a lifetime maximum under the prior program. (Please note that certain conditions apply to this benefit.)

10. If such service described in 9. is not available in the province and the claimant must travel out of province, a maximum of \$1,000 per 12-month period applies.
11. Charges for eye examinations limited to one such expense per year for dependent children under the age of 18 and once every twenty-four months for others. MCP no longer covers this expense as per the recent provincial budget.
12. 50% of the cost of visual or remedial training. This was not a covered expense under the prior program.

PLEASE NOTE: The preceding summary is not a policy document and therefore does not include every condition associated with a particular benefit provision. Questions may be directed to the Human Resource Planning and Administration Department.