

Know Your Benefits – Family Coverage for You and Your Beneficiaries

As a retiree of Memorial University, you may have opted to continue your group insurance benefits into retirement. This option is available to employees of Memorial and certain of its affiliated employers. Generally speaking, employees who have contributed to a retirement savings arrangement sponsored by the University may continue their health, travel health, dental and basic life insurance benefits into retirement, provided they meet certain conditions. These include immediate retirement following the end of employment and the maintenance of coverage under a provincial health care program in Canada (eg. MCP in Newfoundland and Labrador). The University's Employee Assistance Plan is also available to retirees and their spouses and dependent children. Here are some things to keep in mind:

Family Coverage and Life Changes:

Health and Dental Plans

Upon retirement, employees may continue to provide coverage for their spouses or partners, whether they be legally married or in a common-law relationship. An election to continue spousal coverage is usually made at the time of retirement, but a spouse can also be added after retirement. Normally, an application to add a spouse to the health and travel health plans is required when the spouse was not previously covered and the application would be subject to medical underwriting. In the case of certain life events, however, coverage can be automatic. A spouse may be added immediately if application is made to do so within 45 days following either i) marriage or ii) 12 months of continuous co-habitation in a common-law relationship. A spouse may also be added immediately within 45 days of having lost their own employer provided health plan, subject to confirmation of termination of the former coverage. With respect to the dental plan, coverage for a spouse is automatic upon application, but, it is limited to a maximum of \$100 reimbursement in the first year.

In addition, retirees who become non-residents and had health and dental coverage prior to doing so, may have their benefits automatically re-instated upon return to Canada if application is made within 45 days of resumption of coverage under a provincial health care program.

Basic Life Insurance

As a retiree, you may continue your basic term life insurance coverage and it will be in force up to the date on which you turn 72. On retirement, basic life coverage converts to 1 x your annual pension (minimum of \$70,000 coverage) up to age 65 at which point coverage reduces to a flat \$7,000. At age 72, basic life coverage under Memorial's plan will end. A conversion option is available to convert the reduction of coverage to a private plan upon application to Manulife Financial. Conversion rates tend to be rather expensive, however, as coverage is provided without the need for evidence of insurability. It is important to ensure that you name a beneficiary for your life insurance, otherwise, the beneficiary will default to your estate. With

respect to beneficiary designation, you may name your estate or any person or organization to receive the life insurance proceeds.

Pension

The Memorial University Pension Plan (the Plan) provides ongoing benefits to a retiree's principal beneficiary equal to 60% of the pension the retiree was receiving at the date of death. It is important to remember that beneficiaries cannot be named under the pension plan as they can for life insurance or other financial assets. By legislation, the principal beneficiary is defined to be either a legally married spouse or a cohabiting partner. A principal beneficiary who is receiving a pension from the Plan and who was previously covered as a dependent under the health and dental plans is eligible to continue this insurance with single coverage.

For more information on retiree group insurance benefits, please visit:

<https://www.mun.ca/hr/retirees/notices.php>