



Corporate Policy Manual

| | | |
|---------------------------------|-----------------|--|
| Sub Topic: | Benefits | Policy No. HR.6-01 |
| Topic: | Benefits | Employees Covered: All eligible Non-Union Regular Full-time, Salaried and Hourly Employees, Non Union Full Time Contract Employees |
| Section: | Human Resources | Council Adoption Date: August 31, 2009 |
| Effective Date: January 5, 2000 | | Revision No: 001 Date: August 31, 2009 |

Policy Statement & Strategic Plan Linkages

The Town of Newmarket believes that a comprehensive and competitive package of health/medical insurance in concert with other employee benefits, are a key component of the Town's compensation strategy and support employee and family health and wellbeing.

In keeping with the goal of being an employer of choice, although there is no legal requirement, the Town of Newmarket provides benefits as a supplement to government benefit programs.

Benefit Philosophy - Town of Newmarket is committed to: offering a balanced benefit program to help support employees and their families during times of unexpected illness or accident; providing the best value for the dollars spent; supporting workplace health; remaining competitive relative to market position and attracting and retaining employees of choice.

Purpose

To outline the criteria under which employees are eligible for benefit coverage.

Definitions

Insurance Carrier/Insurer/Benefit Provider:

A company, outside the employer, who underwrites and provides benefit coverage and customer service on behalf of their benefit products.

Third Party Benefit Administrator:

A company, outside the employer, which processes, provides or advises on benefits administration on behalf of the employer.

Health Care Spending Account:

Health Care Spending Accounts operate like a bank account. Each plan member has a separate account, and receives an allocation of Health Care Spending Account dollars each year into their account. These dollars remain tax-free for the plan member provided they are ultimately used to reimburse eligible health-related expenses. Throughout the year, plan members can claim reimbursements from their Health Care Spending Account to cover the cost of any eligible medical expense that qualifies as a tax credit, as defined in the Income Tax Act. As the dollars are spent, the account balance declines.

Procedures

Eligible employees, unless otherwise exempt, shall be required as of the qualifying period to participate in the benefits outlined in this policy. Employees should be aware that certain premiums can be a taxable benefit.

The Town is not an insurer as to the following benefits and the exact terms of the coverage must be ascertained from the provisions of the particular policies of the insurer.

Benefit coverage continues for eligible employees who commence pregnancy or parental leave.

Employees who take an unpaid leave of absence under the [Personal Leave of Absence HR.11-01](#) policy have the option to continue their coverage but are responsible for the payment of premiums.

Employees will be provided with access to an electronic Benefits Booklet provided by the insurance carrier on the Town's Intranet as well as the carrier's website. Copies of these documents can be printed as needed. The Benefits Booklet documents in more detail the plan design and requirements required to access the plan in each area. In the event of a discrepancy between the Benefit Policy, the detailed Benefit Booklet and the contract held by the Town of Newmarket with the insurance companies, the contract shall be the governing document. The Town of Newmarket may amend any of its benefit plans at any time and will endeavor to provide notification to employees, as appropriate.

Employees are required to submit their own claims to the applicable insurance carrier utilizing designated forms.

Claims related to workplace injuries or illnesses are generally not eligible for payment through the Town's benefit plans. Please refer information available through the Workplace Safety and Insurance Board or contact the Human Resources Department.

Benefit Entitlement:

The Town of Newmarket offers benefits to employees in three categories. They include regular full time non union employees under the age of 65, regular full time

non union employees over the age of 65 and long term contract employees working full time hours in an original contract greater than one year.

For full details on benefit plan provisions, please refer to the on line benefit booklet available through the Town's Intranet (TONI).

Benefit entitlements for unionized employees are negotiated through the collective bargaining process and are outlined in their respective collective agreements.

As such, benefit entitlement is as follows:

1. Regular Full Time Non-Union Employees under the age of 65

Benefit Entitlement includes:

- Extended Health Coverage
- Dental Coverage – a 6 month waiting period is required
- Long Term Disability – a 3 month waiting period is required
- Life Insurance
- Accidental Death & Dismemberment Insurance

Waiving waiting periods: Long Term Disability waiting periods are not waived. Dental waiting periods can be waived where an individual employed on a continuous basis attains a Regular Full Time position and has achieved 910 hours within the last 12 months without a break in service.

2. Regular Full Time Non-Union Employees working beyond the age of 65

Benefit Entitlement includes:

- Health Care Spending Account
- The Health Care Spending Account dollars are prorated in the first year based on full months of service for the calendar year and are prorated and recovered, if applicable when employment ends.
- Eligible employees must be in receipt of either Group Health & Dental benefits or a Health Care Spending Account through the Town of Newmarket at age 65 to transition to or continue with a Health Care Spending Account.
- Flat amount of life insurance.

3. Non-Union Contract Employees working full time hours

Eligible contract non-union employees are defined as employees with employment contracts of 12 months of continuous service or more who work full time hours between 35-40 hours per week. The employment contract must be at least a one year in length (1820 to 2080 hours, excluding overtime) and these employees must qualify each year, on the contract renewal date.

Benefit Entitlement includes:

- Health Care Spending Account

- The Health Care Spending Account dollars are prorated in the first year based on full months of service for the calendar year and are prorated and recovered, if applicable when employment ends.
- Benefit eligibility commences the first day of the month following the contract start date.
- If a contract is extended for less than one year the Health Care Spending Account is prorated for the full months worked during the extension time period.

RESPONSIBILITIES OF EMPLOYEES

Employees are responsible to:

- Complete detailed forms as applicable.
- Contact Human Resources with any changes to dependent status within 31 calendar days of the effective date of the change.
- Submit claims within allowable periods or per the benefit provider's requirements.
- Contact the benefit provider customer service centre if they have questions with regard to their claim(s).
- Use available on-line benefit services when possible.

RESPONSIBILITIES OF EMPLOYER

Chief Administrative Officer is responsible to:

- Inform Council of potential issues concerning benefit plans.
- Ensure reports are submitted to Council to ensure changes to benefit plans are in line with demographic and market shifts.
- Exercise discretion relative to changes in benefit plans as a result of unusual circumstances

Human Resources is responsible to:

- Recommend changes to benefits as identified through benchmark surveys, market trends and comparators for review and approval through the CAO to Council.
- Maintain employee and benefit information in a confidential manner and to ensure compliance with privacy information legislation.
- Manage the group benefit program in a fiscally responsible manner.
- Coordinate with insurance carriers to disseminate information and benefit updates to eligible employees.
- Consult with the Chief Administrative Officer on matters affecting benefit plans and market competitors.
- Work with employees to resolve benefit related issues.
- Maintain Human Resources Information System (HRIS) related to benefit plan(s).
- Coordinate benefit initiatives with Third-Party Benefits Administrator.
- Coordinate the payment of appropriate premiums, in full or in part, as outlined in the benefit contract with the insurer.

- Retain benefit related documentation.
- Ensure consultation as appropriate with relevant parties.

Cross-References

[Definition of Non-Union Employee Status HR.1-01](#)

[Personal Leave of Absence HR.11-01](#)

[Pregnancy Leave HR.11-02](#)

[Parental Leave HR.11-03](#)

Part 1 Income Tax Act - Division E Computation of Tax - [Medical Expense Credit Subsection 118.2\(2\)](#)

[Medical Expense and Disability Tax Credits and Attendant Care Expense Deduction bulletin \(IT-519R2\)](#) as produced by the Canada Revenue Agency

Provincial legislation such as but not limited to [Employment Standards Act and Regulations](#), [Workplace Safety and Insurance Board Act](#), as amended from time to time.