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2017 Federal Budget

The 2017 Federal Budget was tabled by Finance Minister Bill Morneau on March 22, 2017. The focus was on “building a strong middle class”, innovation, skills development and job creation. The Budget included:

- Changes to employment insurance (EI) benefits:
 - New EI caregiver benefit to support or care for a critically ill or injured family member for up to 15 weeks (currently is available if a family member is dying)
 - More flexible EI parental benefits allowing parents to choose to receive EI parental benefits over an extended period of 18 months at a lower benefit rate
 - Allows women to claim EI maternity benefits up to 12 weeks before their due date (currently 8 weeks)
- Elimination of “ineffective” tax measures:
 - Public Transit Tax Credit
 - Deductions for employee home relocation loans
 - First-time Donor's Super Credit for charitable donations
 - End of Canada Savings Bonds
- Skills training initiatives:
 - Extending who qualifies for the tuition tax credit
 - Digital Literacy Exchange programs
 - Expanded eligibility for Canada Student Loans and Grants for part-time students
 - New Veterans' education and training benefit

➤ Funding to:

- Improve access to home, community and palliative care services
- More support for informal caregivers
- Better access to mental health support for Canadians under age 25
- Reporting measures to ensure new initiatives improve health outcomes for Canadian families
- Support certain new clean technologies
- Improve temporary foreign workers program and international mobility program
- Statistics Canada to develop and implement a Housing Statistics Framework – nationwide database of all properties in Canada (purchases/sales, degree of foreign ownership, demographic and financial information)

➤ Changes to:

- Electronic issuing of T4 information slips
- The treatment of fertility expenses for the medical expense tax credit
- Opioid treatment – Health Canada removed the requirement for a prescription (Naloxone) when the drug is used for emergency situations outside of a hospital
- The Canada Labour Code offering greater flexibility for federally regulated employees
- The timing and recognition of gains and losses for derivatives
- Clarify the definition of factual control use (i.e. determination of associated corporations)
- Eliminate the ability for designated professionals to elect to use billed-basis accounting
- Improve the socio-economic conditions for Indigenous communities
- Uber Tax – subject to same taxes as taxis

2017 Saskatchewan Budget

On March 23, 2017 Saskatchewan's government released its 2017 budget. The budget included significant changes to the Provincial Sales Tax (PST) regime changing the tax rate from 5% to 6%. This increase directly affects the taxation of insurance premiums:

- Effective July 1, 2017 most premium payments relating to insurance policies (i.e. life, vehicle, property, etc.) will be subject to PST (excludes reinsurance or self-insurance).

Manion Claims Corner

Claim Fraud Awareness

Although the month of March was officially named "Fraud Awareness Month", plan members should be mindful of this every month.

When you report insurance crime you make a difference...

Those who commit insurance fraud take the money right out of your pocket – when they cheat, you pay. When someone steals a car, burglarizes a home, vandalizes property or makes a false or exaggerated health, dental or disability claim everyone has to pay more than they should for insurance.

Insurance crime isn't always the work of organized groups or gangs running auto theft or insurance crime rings as a business. It can also involve normally law-abiding citizens who attempt to make a few extra dollars by padding an otherwise legitimate claim.

Reminder - Top 10 Tips for Consumers

1. Protect your personal information which includes your benefits plan access information.
2. Don't let someone else borrow your card to obtain services or products.
3. Ensure your receipts are correct and reflect the service or treatment you received.
4. Check your explanation of benefits (EOB) for services considered under your benefits plan to ensure that it reflects only those services or products obtained by you or your eligible dependents.
5. Don't sign your name to blank claim forms.
6. Understand your coverage and the limits that apply.
7. Ask questions. Don't hesitate to question the treatment or service being prescribed or given to you.
8. Remember to keep your receipts. You may be asked to submit them in support of your claim.
9. Alert your insurer or administrator of any providers who routinely waive your co-payment or deductible.
10. Report it. If you suspect potential plan abuse or fraud, report it to your insurance company or administrator.

Recognize it, Reject it, Report it

Insurance Bureau of Canada
Anonymous toll-free line 1-877-422-8477
Online at www.ibc.ca

The Competition Bureau
1-888-495-8501
www.antifraudcentre.ca

Canadian Life & Health Insurance Association
www.clhia.ca

Canadian Crime Stoppers Association
1-800-222-8477
www.canadiancrimestoppers.org

Manion info@manionwilkins.com

Claims Submission Reminder

Claims can be **submitted via mail, fax** (416-234-2071) or **scanned** (claims@manionwilkins.com). If you do fax or scan your claim, be sure to include a fully completed, signed claim form. There is NO need to then send original receipts via mail.

You can also **drop off your claim** at either of our offices:

21 Four Seasons Place
Suite 500
Toronto, ON M9B 0A5
Mon-Fri 8:30 a.m. to 5:00 p.m.

OR

222 Rowntree Dairy Road
3rd Floor
Woodbridge, ON L4L 9T2
Mon-Fri 8:30 a.m. to 4:30 p.m.

OR

24 hour claims drop box in the Four Seasons Place parking lot (East end of building #21)

Our **Customer Contact Centre** hours are:

Monday-Thursday 7:30 a.m. to 7:30 p.m.
Friday 7:30 a.m. to 5:00 p.m.

We can be reached at 416-234-3511 or 1-866-532-8999 or by email at info@manionwilkins.com.

Hepatitis C Drugs Become More Affordable

Following an agreement between the pan-Canadian Pharmaceutical Alliance and several drug manufacturers to reduce the cost of prescription drugs for hepatitis C, the Ontario, B.C. and Saskatchewan governments have expanded their provincial coverage for six high-cost drugs that fight the virus. These life-changing advancements will ease drug costs for an estimated 250,000 Canadians who are infected with hepatitis C.

Manion Pension Corner

Change to Definition of Spouse for Ontario Pension Plans

Effective January 1, 2017 the Definition of Spouse for Ontario Pension Plans changed in respect to the parents of a child. The definition referred to the Family Law Act and has been revised to refer to the Children's Law Reform Act.

Current Definition:

"spouse" means, except where otherwise indicated in this Act, either of two persons who,
 (a) are married to each other, or
 (b) are not married to each other and are living together in a conjugal relationship,
 (i) continuously for a period of not less than three years, or
 (ii) in a relationship of some permanence, if they are **the parents of a child as set out in section 4 of the Children's Law Reform Act**; ("conjoint")

Previous Definition:

"spouse" means, except where otherwise indicated in this Act, either of two persons who,
 (a) are married to each other, or

(b) are not married to each other and are living together in a conjugal relationship,
 (i) continuously for a period of not less than three years, or
 (ii) in a relationship of some permanence, if they are **the natural or adoptive parents of a child, both as defined in the Family Law Act**; ("conjoint")

Please note that this Definition of Spouse is the minimum requirement for Plans registered in Ontario. The Plan Text may vary from this provision (i.e. continuously for a period of not less than three years may have been improved to be one or two years instead of the three years).

Canada Pension Plan Enhancement Update

On March 2, 2017 the Minister of Finance announced that The Canada Pension Plan (CPP) enhancement is now in force. All of the necessary legislative requirements have been met by the Government of Canada and Canada's provincial governments to implement the agreed-upon enhancement.

Starting January 1, 2019 and over a seven-year period the CPP contribution rates for both employers and employees will increase from the current 4.95% to 5.95%. The enhancement will increase the share of annual earnings received during retirement from 1/4th to 1/3rd (the amount of CPP retirement pension is based on contributions and how long contributions have been made). The enhancement will also increase the maximum income range covered by CPP by 14% as of 2025, so that those who earn more will receive more in retirement.

Currently CPP is only about 20% funded and depends on the plan's assets, their rates of return as well as employer and employee contributions. By legislation, the enhanced program is to be fully funded (dependent on investment income) and will require a different investment policy for the assets allocated to fund the CPP enhancement.

Additional Employer Payroll costs:

- Earnings average YMPE = smaller significance in payroll costs
- Earnings higher than YMPE = larger significance in payroll costs

Potential impact on plans with Voluntary Contribution component

- Higher CPP contributions may result in a reduction in employee Voluntary Contribution that in turn will lower Employer Matched Contributions.
- Changes nature of savings from defined contribution to defined benefit.
- It may be just an exchange of dollar for DC plans not greater retirement savings for the Employee.

Potential impact on Unionized Employers

- DC plans designed on a compensation perspective not on how much income is this going to deliver to employees in retirement, enhanced CPP is a DB plan design
- Organizations with collective bargaining agreements will need to plan ahead with the appropriate bargaining agents to start implementation of the CPP enhancement

Manion Disability Corner

The Federal Budget announced proposed changes with respect to EI benefits under the Employment Insurance Act as well as proposed changes to the Canada Labour Code with respect to new unpaid leaves.

Change In Employment Insurance Benefits

- Parents can choose to receive Employment Insurance (EI) parental benefits for up to 18 months, but at a benefit rate lowered from the current 55 per cent of average weekly earnings to 33 per cent.
- Mothers can elect to start EI maternity benefits up to 12 weeks (from the current eight) prior to their due date. This will not change the total period of maternity leave.
- Introduction of a new EI Caregiving benefit that provides coverage of up to 15 weeks.
- Additional flexibility to share critically ill child care benefits with more family members.

The government will also amend the Canada Labour Code to protect the jobs of any federally regulated employees who take these new or extended periods of EI leave.

Addition of New Unpaid Leaves

- Family responsibility
- Participation in traditional indigenous practices
- Seeking care because of family violence
- The flexibility of the current bereavement leave will also be increased.

*NB: for further information regarding the complete list of Federal Budget proposed changes please see our lead article **2017 Federal Budget**.*

What's Going On at Manion!

Manion's Head Office at 21 Four Seasons Place has been our home for the past 10 years. Having considered other facility options and a possible relocation, we have decided to stay put in our existing Etobicoke location.

We may be staying, but that doesn't mean we'll stay the same! We are adding new office space on the 6th floor and giving much of the rest of our 5th and 6th floor offices a face lift.

New Services

Recent pension legislation changes in Ontario require that Pension Plan Sponsors issue bi-annual statements to Inactive Pension Plan members (those that have left employment but have not applied for a pension benefit). Our new two-page **Inactive Statement** is in the final stages of testing and will be released to former plan members in May and June. Below is a snapshot of the new look!

MIKE SAMPLE
Certificate Number: M060000055
Date of Birth: November 9, 1983
Date of Hire: March 27, 2007
Normal Retirement Date: December 1, 2048
Early Retirement Date: December 1, 2038
Spouse: No Spouse on file
Last Employer: THYSSEN KRUPP ELEVATOR

Pension Trust Fund

Pension Statement as of December 31, 2016
Federal Registration Number 0229179 / CRA Registration Number 0229179

The Pension Trust Fund records indicate that you were a member during the period(s) outlined below. Upon certification of Plan Membership you may have a pension entitlement.

Accrual	Monthly Pension	Employee \$	Vested
1 Apr 2007 - 30 Jun 2010	\$266.07	\$6,821.64	Yes

This is a new Inactive Statement that will be distributed every 2 years as required by the pension regulator. It is being distributed to all individuals for whom the Pension Trust Fund received contributions in accordance with the prevailing collective agreement(s).

Your entitlement from the Plan is dependent on certification of Plan membership. If you wish to apply at this time contact the Plan Administrator at 1 866 532-8999 and request an application form.

This statement does not guarantee you any rights to receive a benefit if your actual situation or the terms of the Plan do not entitle you to that benefit. In the event of an error or omission the legal Plan documents will govern in all cases. E.&O.E.

Death Benefits for Eligible Pension Plan Members

With respect to pension benefits earned by eligible Plan Members, the cash value of the pension accrual is payable to your last designated beneficiary(ies). Please note that should you have a spouse in the future, they will be your pre-retirement pension beneficiary by law. Please advise the Plan Administrator if your marital status changes.

Pension regulations state that your spouse is your beneficiary for your pre-retirement benefits. Your spouse may waive their entitlement however, we recommend that your spouse obtain legal advice prior to making this important decision.

Beneficiary(ies):
EILEEN J SAMPLE

TYLER H SAMPLE

The same legislation requires a bi-annual statement to Retirees in receipt of a pension from the Pension Plan. Our new **Retiree Statement** was mailed to almost 9,000 retirees in April. The Retiree Statement includes a requirement that Pensioners file a Proof of Existence form with the Pension Plan Administrator (**Manion**). The 'proof of existence' exercise is in place for most pension plans in Canada today as it is a proven way to protect against releasing payments to ineligible recipients.

Annuitant Name: JOSEPH SMITH
Pension Plan Name: DALI Local 675 Pension Plan
Date of Birth: January 1, 1971
Certificate Number: U123456789

Confirmation of Pension Payment/Proof of Life

It is necessary that you complete and return this form, in the enclosed postage paid envelope (postage valid in Canada only) or by Fax/E-mail before June 30, 2017. If you would like confirmation that we received the form provide your e-mail address below.

1. If you are JOSEPH SMITH (the annuitant) complete and sign this box:	
<input type="checkbox"/>	I confirm that I am in receipt of a monthly Pension Benefit payment from the DALI Local 675 Pension Plan.
Print your full name: _____	
Telephone #: _____	E-mail: _____
Date: _____	
Signature: _____	

2. If you are completing this form on behalf of the annuitant complete and sign this box:	
<input type="checkbox"/>	I confirm that the Annuitant is living.
<input type="checkbox"/>	I confirm that the Annuitant died on _____/_____/_____.
<input type="checkbox"/>	I am the Power of Attorney acting on behalf of the annuitant.
Print your full name: _____	
Telephone #: _____	
Date: _____	
Signature: _____	

E-mail: pensionconfirmation@manionwilkins.com
Fax: 416 234-2071
Mail: 500-21 Four Seasons Place
Toronto, Ontario M9B 0A5

If you have any questions please call: 1 866-532-8999

If we do not receive this form by June 30, 2017, your Pension Payments will be suspended until we do receive your completed form.

Manion Wilkins & Associates Ltd.
500-21 Four Seasons Place, Toronto, ON M9B 0A5
Telephone: 1-866-532-8999 Fax: 416 234-2071
E-mail: pensionconfirmation@manionwilkins.com



On The Whiteboard – 2017 & 2018

Our **Pension Option Statements** are getting a redesign, and our Commuted Value and optional forms calculations will automatically feed the improved option statement. These new features will roll out in the summer of 2017.

It's hard to believe we are planning for 2018 already. We are working hard to bring our customers a **Mobile Application** to enable eligible plan members to submit photo claims to their plans, and to access their drug card/benefit card information from their phone. We are also talking to providers about options for **Provider Submit claims** (similar to Dental EDI) for service providers like Optometrists, Chiropractors, Physiotherapists, etc.).