Manion Magazine

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MANION

We Care,
You Benefit.

OHIP+ Redesigned Effective April 1, 2019

As previously mentioned in our January 2019 edition of the **Manion Magazine**, the Ontario government has announced changes that will be applied to the OHIP+ program effective April 1, 2019. Any patient under age 25 will be required to access benefits for prescription drugs through their private insurance first. For detailed information on this change please refer to the Ministry of Health website at https://www.ontario.ca/page/learn-about-ohip-plus or contact our Manion Claims Department at askus@mymanion.com.

Manion Claims Corner

Coming Spring 2019: Simplified Claims on mymanion app!

Starting this spring, submitting a claim will begin in one central place – offering more tools and tips to guide you through the process.

Simply select "submit claim" and confirm some basic information about your claim. We've added extra assistance functions to help guide you through this process. If you are unable to answer all of the information fields about your claim, you can choose to upload a photo instead and let mymanion do the work!

These changes aim to deliver faster adjudication results, leading to faster claims reimbursement. Plus, you will be able to:

- Upload multiple images to one claim
- Include multiple patients on one claim

You will receive an updated mymanion iOS or Android app in the spring when these features are available.

Have questions? Reach out to us at 1-866-532-8999 or email us at askus@mymanion.com.

Manion Staff Corner

New Hires, Promotions & Retirements

Retirements:

- **Maria Vitale –** retired March 29, 2019

Manion Pension Corner

Summary of Federal Budget – March 19, 2019

The Honourable Bill Morneau, Minister of Finance, tabled the Liberal government's fourth budget, Investing in the Middle Class, on March 19, 2019.

Budget 2019 introduces new programs of interest to employers and pension plan sponsors include:

- **Increase retirement security and flexibility for Canadian workers**
    - The Budget proposes for 2020 and subsequent taxation years to permit two new deferred life annuity options under tax rules for certain registered plans. The new annuities are:

      Advanced life deferred annuities (ALDAs) a life annuity where income can be deferred until the end of the year in which the annuitant reaches age 85. Subject to qualifying restrictions, individuals may use up to $150,000 (indexed to inflation after 2020) lifetime limit to purchase ALDAs, which allows a significant longer deferral than other types of life annuity that start paying income by the end of the year of reaching age 71. ALDAs will be permitted under:

        - Registered retirement savings plans (RRSP)
        - Deferred profit-sharing plans (DPSP)
        - Pooled registered pension plan (PRPP)
        - Defined contribution registered pension plan (RPP)

      Variable payment life annuities (VPLAs), which will be permitted under a PRPP and defined contribution RPP and provided to plan members directly from the plan with payments varying to reflect the investment performance and mortality experience of the annuitant pool.

      Provinces must be on board as minimum standards pension legislation will need to be amended to offer the ALDAs and VPLAs.

    - The Budget proposes to prohibit contributions to a **Specified Multi-Employer Plan (SMEP)** in respect to a member after the end of the year the member reaches age 71 and to defined benefit provision of a SMEP if the member is receiving a pension from the plan (except under a qualifying phased retirement program). This will bring taxation rules regarding SMEPs in line with pension taxation rules for other RPP. The change will ensure that employers do not make pension contributions on behalf of older SMEP plan members who cannot benefit from the contributions. The measures will apply in respect of contributions made pursuant to collective bargaining agreements entered after 2019 only.

- The Budget proposes to proactively enroll **Canada Pension Plan (CPP)** contributors who are 70 years old or older in 2020 who have yet to receive their retirement pension. Canadians who prefer to opt out of receiving CPP to avoid reducing federal or provincial income tested benefits will be allowed to opt out of receiving CPP for up to a year, an increase from the current opt out period of six months.

- The Budget proposes to enhance the **Guaranteed Income Supplement (GIS)** earnings exemption. Currently the GIS earnings exemption allows low income seniors and their spouses to each earn up to $3,500 per year in employment income without triggering a reduction in GIS or Allowance benefits. Beginning with the 2020 – 2021 benefit year, the enhancement would:
  - Extend eligibility for the GIS earnings exemption to include self-employment income, as well as employment income.
  - Increase the amount of the full exemption from $3,500 to $5,000 per year for each GIS or Allowance recipient, as well as their spouse; and
  - Introduce a partial exemption of 50% to apply on up to $10,000 of income beyond the new $5,000 threshold, thereby providing a full or partial exemption on a total of up to $15,000 of annual employment self-employment income for each GIS or Allowance recipient, as well as their spouse.

- The Budget proposes to protect **Pensions on Bankruptcy**, making changes to the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act*, the *Canada Business Corporation Act* and the *Pension Benefits Standards Act, 1985* to better protect workplace pensions in the event of corporate insolvency. Measures designed to protect retirement pension include:
  - Amendments to make insolvency proceedings fairer, more transparent and more accessible for plan members, including empowering the courts to review payments made to executive leading up to bankruptcy.
  - Requiring higher standards of oversight of corporate behaviour from publicly traded, federally incorporated firms, including disclosure of policies related to workers, pensioners and executive compensation or explanation of why policies are not in place.
  - Protecting Canadian employee pensions by clarifying in federal pension law that a plan on windup must provide the same pension benefits as when it was ongoing.
  - Allowing defined benefit plans to transfer their pension obligations to a regulated life insurance company through the purchase of annuities, to improve plan sustainability and to better protect retirees' pensions from the risk of employer insolvency. This may allow a full discharge on buy-out annuity purchases for federally regulated pension plans.

- For **Unclaimed pension balances**, the Budget proposes to introduce amendments to the *Bank Act*, the *Bank of Canada Act*, the *Trust and Loan Companies Act* and the *Pension Benefits Standards Act, 1985* to expand the scope of the unclaimed assets framework to include unclaimed pension balances from terminated federally regulated pension plans.

- The Budget proposes to prohibit **Individual Pension Plans (IPPs)** from providing retirement benefits for past years of employment that were also pensionable service under a defined benefit plan of an employer other than the IPP's participating employer or a predecessor employer. Any assets from a former employer related to benefits provided in respect of prohibited service will be required to be included in the income of the member for income tax purposes. This measure is intended to discourage the use of an IPP sponsored by a newly incorporated private corporation controlled by an individual who has terminated employment with a former employer, to circumvent the prescribed transfer limits for the commuted value paid from the former employer's plan.

- **Changes to Home Buyers' Plan (HBP) withdrawal limits**

  - Proposed amendments to the HBP will increase the withdrawal limit to $35,000 from $25,000 (allowing a combined $70,000 for a down payment) for first time home buyers to finance a down payment by allowing them to withdraw from a RRSP without being subject to tax on the RRSP withdrawal.

  - Extend the same increase to individuals who qualify for the disability tax credit who require accessible homes, even if they are not first-time home buyers.

  - Extend the withdrawal rights to homeowners during a marriage or relationship breakdown. Subject to some restrictions, the withdrawal will be available to individuals who live separate and apart from their spouse or common-law partner at the time the withdrawal is made – or any time in the preceding four years.