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Cost of Emergency Medical Travel Insurance On The Rise

With the drop in value of the Canadian dollar versus the U.S. dollar the cost of purchasing Emergency Medical Travel Insurance has increased approximately 10 to 12 percent compared to this time last year. Unfortunately, because insurers pay claims in U.S. currency, coupled with medical inflation and the drop in our dollar, premiums have no place to go but up.

Individual travel insurance rates are based on answers to medical questions in the application. It is important, now more than ever, to ensure that people don't cut corners just to save money when it comes to purchasing travel insurance. It is easy to forget things on the application or misunderstand questions. A survey done for the Travel Health Insurance Association of Canada (THIA) found that 14 percent of people applying for insurance falsified the application. Half did so to get a cheaper rate. The biggest way they do that is to misrepresent their medical condition. They may "overlook" a pre-existing health condition, or justify a loose interpretation of a question.

Although the cost of purchasing the coverage may be increasing, the risk of having a claim rejected can far outweigh the cost of the coverage to begin with. The THIA study found that for many people, a \$1,000 to \$5,000 out of pocket medical expense represents a financial crisis.

For further information on this topic, please refer to our April 2014 issue of the Manion Magazine and the article entitled "*Understanding Out of Country Emergency Travel Plans*".

We Care,
You Benefit.



Canada Employment Insurance Commission (CEIC) Announces 2015 Maximum Insurable Earnings

The EI maximum insurable earnings (MIE) for 2015 will increase to \$49,500 from \$48,600 in 2014. The MIE is indexed on an annual basis and represents the ceiling up to which EI premiums are collected and the maximum amount considered in applications for EI benefits.

CEIC also announced that for residents of Quebec covered under the Quebec Parental Insurance Plan (QPIP), premiums will be reduced by \$0.34 per \$100 insurable earnings. As such, they will pay \$1.54 per \$100 of insurable earnings.

There will also be reductions for the employers registered under the Premium Reduction Program (PRP). The reductions for these employers will range from \$0.19 to \$0.36 per \$100 of insurable earnings, providing \$855 million in premium relief for 2015. Registered employers will be notified individually, as individual reductions may vary.

For self-employed Canadians who have opted-in to the EI program, the annual earnings required to qualify for special benefits will increase to \$6,645 on January 1, 2015, up from \$6,515 for 2014. The level of earnings required by self-employed Canadians to be eligible for EI special benefits is indexed annually to growth in the MIE.

Canada Revenue Agency (CRA) Announces 2015 Maximum Pensionable Earnings

The Canada Revenue Agency (CRA) has announced that the 2015 CPP maximum pensionable earnings amount will be \$53,600 – up from \$52,500 in 2014. The basic exemption for 2015 remains at \$3,500.

Employee and employer contribution rates for 2015 will remain unchanged at 4.95%, and the self-employed contribution rate will remain unchanged at 9.9%. The maximum employer and employee contribution to the plan for 2015 will be \$2,479.95 and the maximum self-employed contribution will be \$4,959.00.

Quebec Premium Tax Increase

The Minister of Finance delivered the update on the province's economic and financial situation on December 3, 2014. The new tax measures will have the following impacts on the premium tax.

- As of December 3, 2014, the capital tax rate for insurance companies rises from 2% to 3%
- As of December 3, 2014, and until March 4, 2017, the compensatory tax rate applicable to insurance premiums will rise from 0.30% to 0.48%. This rate will then return to 0.30% between April 1, 2017 and March 31, 2019

In total, the premium tax will increase from 2.30% to 3.48%, effective December 3, 2014.

Alberta PIPA Amendments for Trade Unions

Amendments to Alberta's *Personal Information Protection Act* (PIPA), originating in Bill 3, came into force on December 17, 2014. These amendments are the Alberta government's response to the 2013 decision of the Supreme Court of Canada in *Alberta (Information and Privacy Commissioner) v. United Food and Commercial Workers, Local 401*, in which the court struck down sections of PIPA as being unconstitutional. The court held that PIPA restricted the union's ability to communicate its cause during a lawful strike, and is thus an unreasonable interference with the section 2(b) right to freedom of expression under the *Charter of Rights and Freedoms*.

The newly enacted amendments to PIPA specifically address the expressive activities of trade unions in relation to a labour relations dispute. As amended, PIPA allows for the collection, use and disclosure of personal information by a trade union, without the consent of the individual to whom the personal information pertains, where all of the following conditions are met:

1. The collection, use or disclosure of personal information is for the purpose of informing or persuading the public about a matter of significant public interest or importance relating to a labour relations dispute involving the trade union;
2. The collection, use or disclosure is reasonably necessary for that purpose; and
3. It is reasonable to collect, use or disclose the personal information without consent for that purpose, taking into consideration all relevant circumstances, including the nature and sensitivity of the information.

Going forward, interpretation by the courts of what is considered a "matter of significant public

interest or importance" and the weight afforded to the "nature and sensitivity" of personal information will be closely watched.

Trade unions relying on these changes to PIPA will still need to abide by other key components of the legislation, including the use of reasonable security measures to protect personal information, reasonable retention and destruction procedures, and the accommodation of requests for access to and correction of personal information.

It was hoped that the amendments to PIPA would tackle broader considerations of how freedom of expression should be balanced against the privacy interests of individuals in other contexts, but it appears that the amendments are narrowly prescribed to trade unions. However, 2015 is to see the first step towards what may result in broader changes, with PIPA due for a comprehensive review by a special committee of the Alberta Legislative Assembly, which must commence by the beginning of July. A final report to the Legislative Assembly, due within 18 months following the start of the review, may provide an opportunity for lawmakers to reflect further upon how the constitutional right to freedom of expression should be balanced against privacy interests, even outside the labour dispute context.

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