CUPE 338 Long Term Disability Plan – Renewal as of May 1, 2017

Your Union sponsored Long Term Disability (LTD) plan has been renewed as of May 1st, 2017. This coverage has been in effect since November 1, 2013, with one previous rate increase in May of 2015.

Since inception of this valuable insurance coverage, 27 CUPE 338 members have been able to utilize these valuable benefits during an extended period of disability.

The policy renews annually, however no increase was charged last year, despite a relatively high volume of claims. As a result, this year Manulife have requested a substantial increase. Our LTD administrator, WE Benefits & Consulting Services Ltd, has informed us that an increase is justified in view of the claim volume, however they feel the increase asked for by Manulife is higher than warranted. Your Union executive has requested that WE Consulting search the market for a new carrier and better rates, however in the interim the policy must be kept in force, meaning that you will see a premium increase on your pay statements in June. Please bear in mind that the premium increase is retroactive to May 1, 2017, so the June debits to your pay will be higher than usual. The average rate increase is 19%, a table is shown below for the effects on some typical salaries. To reduce the impact for individual members as much as possible, WE Consulting has eliminated their administration charges until a final carrier and or price agreement is reached.

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| **CUPE Local 338 - Kelowna** |
| **60% LTD Benefit - to age 65 - Maximum Benefit $3,500** |
| **MEMBER COST PER MONTH**  |
|  | **Annual Wage** | **Average Monthly Wage** | **Benefit Level** |  | **2016 Monthly Premium** | **New Monthly Premium** | **Per Member Monthly Increase** |
|  |  |  |  |  |  |  |  |
|  |  **$42,459.85**  |  **$3,538.32**  |  **$2,122.99**  |  |  **$80.46**  |  **$92.69**  |  **$12.23**  |
|  |  **$58,585.46**  |  **$4,882.12**  |  **$2,929.27**  |  |  **$111.02**  |  **$127.89**  |  **$16.87**  |
|  |  **$67,700.96**  |  **$5,641.75**  |  **$3,385.05**  |  |  **$128.29**  |  **$147.79**  |  **$19.50**  |
|  |  **$85,258.85**  |  **$7,104.90**  |  **$3,500.00**  |  |  **$132.65**  |  **$152.81**  |  **$20.16**  |
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|  | **E&OE** |  |  |  |  |  |  |

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