

Corporate Policy Review

It is imperative that organizations implement and enforce a corporate policy regarding group benefits programs, group retirement programs, disability, and absence management. Having a clearly outlined policy will ensure that all employees are treated equally and fairly from their date of hire until their date of termination/retirement. In addition, a corporate policy will minimize your risk and potential liability should there ever be an employee dispute. The following is a list of items that we recommend are included in your corporate policy, however we also suggest consulting with a lawyer for legal counsel.

- ✓ Clearly define the plan eligibility requirements (employee classification, waiting period from the date of hire, minimum number of hours worked per week). Employees must be enrolled within 31 days of becoming eligible or they can be denied coverage or provided with reduced coverage as a late applicant.
- ✓ Enrollment in group benefits is mandatory provided the employee meets the eligibility requirements outlined above. An employee can only opt out of Medical/Drugs/Vision and Dental coverage if they are covered through a spousal plan. Exceptions can be made, however enrollment levels must continue to meet the insurance carrier's minimum participation requirements, which can vary based on the size of your group. Any employees opting out of coverage completely must sign a waiver form. We recommend that this waiver form be updated annually.
- ✓ Employees who are eligible for Life Insurance and Long Term Disability (LTD) coverage in excess of the non-evidence maximums (NEM) must complete a medical questionnaire in order to be approved for this excess coverage. Applicants can either be approved or declined depending on their medical history. Any employees who are declined for amounts above the NEM will still receive eligible benefits up to the NEM level. Any employees who are eligible for coverage above the NEM, who do not wish to apply for this excess coverage should complete a waiver form. We recommend that this waiver form be updated annually. It is important to ensure you are updating employee salaries on the insurance carriers website so that Life and LTD coverage accurately reflects current salary levels.
- ✓ Clearly define the employee cost sharing arrangements and the tax implications to employees. You should reserve the right to change the cost sharing arrangements as required based on material changes to the business, economic conditions, or fluctuating plan costs.
- ✓ Clearly define what benefits will be provided and for how long under each of the following scenarios: leaves of absence, maternity leave, short term disability, long term disability and retirement
- ✓ Managing disabled employees: Employees who are approved for Long Term Disability (LTD) could be eligible to collect disability benefits up to age 65. Without a formal policy in place outlining to your employees exactly what will occur in the event of a disability, employees could assume that employment and benefits will be provided to age 65. We recommend publishing a formal policy and applying it consistently in all situations of disability. An employer has a duty to accommodate a disabled employee. As a result, we suggest that you maintain employment, and therefore the medical/drug/vision and dental benefits, for a period equal to the LTD elimination (waiting) period plus 24 months if LTD coverage is in place or 24 months from the date of disability or the last day actively at work if there is no LTD.

- ✓ Severance agreements: as a general rule of thumb, do not communicate any extension of benefits beyond the employee notice period in the Employment Standards Act before first getting approval through your Leslie Group consultant or insurance carrier representative.
- ✓ Provide any retiring or terminated employees with details on how to convert their group coverage to an individual policy. Reach out to us if you have a have a member who is retiring or being terminated and we can provide you a communication piece you should provide the employee.