

2009 Benefit Rates for Group Life and Long Term Disability

As part of McMaster University's employee benefit plans, the Group Life Insurance and Long Term Disability plans are offered to help employees better protect the financial security of their families and themselves.

GROUP LIFE INSURANCE

The Group Life plan is offered through the Council of Ontario Universities, with McMaster participating as part of a consortium of universities to secure competitive premium rates. Each year, the group life premiums are reviewed with the group insurance carrier - Sun Life Financial, and premiums are adjusted relative to plan experience. For the basic life insurance plan design, the University pays 100% of the cost of the basic life insurance premium, and absorbs any increase or decrease in premiums. Effective May 1, 2009, the premium rate paid by the University decreased from \$0.118 to \$0.094 per \$1000 of life insurance coverage. This basic or "new" group life plan design applies to all employees hired on or after January 1, 1993, or those hired before January 1, 1993 who opt to participate in this plan.

There is a 5% decrease in optional premium rates for 2009. Optional premiums are 100% paid by employees and are considered extremely competitive, as rates have not increased since 1993.

The grand-parented or "old" group life plans apply to employees hired prior to January 1, 1993 and who opted to remain in a grand-parented plan. The premium costs under these plans are shared between the employee and the University. Employees remaining in a grand-parented plan will see a decrease in their group life premium rate as follows: 2-times or 3-times Salary Coverage a decrease in premium from \$0.188 to \$0.150 per \$1000 of insurance coverage. For 2-times or 3-times Salary Coverage plus Survivor Income Benefit (SIB) a decrease in premium from \$0.624 to \$0.500 per \$1000 of insurance coverage. Employees are eligible to convert from a grand-parented plan into the current plan design.

LONG TERM DISABILITY (LTD)

McMaster University's Long Term Disability (LTD) plan is an income protection benefit plan for employees who become totally disabled as a result of non-work related illnesses or injuries. The LTD plan is premium based. Premium rates are impacted by the volume and nature of claims, and are reviewed annually in light of the claims experience of the LTD plan.

Employees are responsible for 100% of the premiums for this plan which is provided through Sun Life Financial. Participation in the LTD plan is mandatory for eligible faculty (excluding clinical faculty members) and staff members.

The insurance carrier, Sun Life Financial, has reviewed the LTD rate and the renewal information was shared with the participating employee groups. We are pleased to announce that there will be no LTD premium change for July 1, 2009 to June 30, 2010.

If you have any questions about the Group Life or LTD plans, please contact your area Human Resources office, or Amanda McKay, Benefits & Pensions Administrator at extension 24552 or email benefits@mcmaster.ca.