

## LTD Premium Rates Effective July 1, 2018

### Faculty and Librarians

McMaster University's Long-Term Disability (LTD) plan is an income protection benefit plan for eligible employees who become totally disabled as a result of non work-related illnesses or injuries. The LTD plan provides income replacement based on 85% of net income to a maximum monthly benefit of \$10,000.

This is an employee-paid benefit and participation in the LTD plan is mandatory for eligible employees. The LTD plan is provided through Sun Life Financial.

Effective July 1, 2016, revisions were made to the LTD plan, including a new provision that premium rates would be experience-based by employee group. This means that different premium rates would be set for participating employee groups based on the volume and duration of claims incurred by members of that group. As a result of this change, effective July 1, 2016 premium rates for Faculty and Librarians were reduced from 1.015% to 0.3% of base salary (plus 8% sales tax).

Because of increased claim activity, Sun Life has advised that an increase in the LTD premium rate is required.

Effective July 1, 2018, the premium rate will increase to 0.818% of base salary (plus 8% sales tax). LTD plan participants will first notice a change in their LTD premium deductions beginning in either the July 13<sup>th</sup> or July 20<sup>th</sup> pay deposit, depending on your pay schedule.

The following illustrates the effect of this change:

	LTD Premium Rates Effective July 1, 2016 to June 30, 2018	Revised Premium Rate for July 1, 2018 to June 30, 2019	
	0.300%	0.818%	
Annual Salary	LTD Premium (plus tax) Paid per Biweekly Pay (24 deductions per year) *		Increase per Bi-weekly Pay
\$100,000	\$13.50	\$36.81	\$23.31
\$150,000	\$20.25	\$55.22	\$34.97

\* Calculation is: ((Annual Salary x Full Premium Rate)/24)\*1.08 (PST)

Should you have any questions regarding the LTD Plan, please refer to the [My Benefits webpage](#) or contact your area [HR Advisor](#).