

Policy for Benefits Coverage Prepayments by Employees in Layoff Status

January 17, 2018

As announced in the **December 18, 2017 bulletin**, the Healthcare Employees' Benefits Plan (HEBP) Board is enabling employees affected by the recently announced healthcare layoffs to maintain benefits coverage.

Employees who have been laid off will be allowed to prepay and maintain their benefits coverage for up to 12 consecutive months, regardless of whether they have a scheduled return-to-work date. This change will be **retroactive to October 1, 2017**.

Instructions:

For employees laid off between October 1, 2017, and January 16, 2018:

1. Send HEB Manitoba a list of employees, who were laid off between October 1, 2017, and January 16, 2018, and include the start date of each employee's layoff.
2. Provide these employees with a HEB Manitoba *Leave of Absence/Layoff Package* with instructions to return the completed package to you by **February 15, 2018**.

For employees laid off after January 16, 2018:

1. Provide employees with a layoff status after January 16, 2018 the *Leave of Absence/Layoff Package* with instructions to return the completed package to you within **30 calendar days** of the layoff.

Once you receive a laid off employee's *Leave of Absence/Layoff Package*:

1. Review their completed package and confirm the information is correct.
 - Employees who choose to maintain benefits coverage must make prepayments for a full 12 months, retroactive to their layoff date.
2. Send the completed package to HEB Manitoba.
 - For employees with a retroactive layoff date, the package must arrive at HEB Manitoba by **March 1, 2018**.
 - For employees with layoff dates going forward, the package must arrive at HEB Manitoba no later than **10 business days** after the end of the employee's 30 calendar day deadline.



- If an employee obtains regular employment during this period you must notify HEB Manitoba. All unused prepayments will be returned to the employee.
- If a prepayment is returned as NSF, the employee's benefit coverage will be placed into "pend" status until a replacement cheque is received to reactivate benefit coverage.
- You should not deduct benefit premiums from the pay of employees who have prepaid for benefits coverage and subsequently "pick-up" shifts.

Pension benefits and contributions are excluded from this change.

Important considerations for pension benefits include:

- Employees cannot prepay pension contributions. They may submit a buyback request within six months of returning to active duty **if they return to the same employer.**
- Any lump-sum payments are non-pensionable, including any lump-sum layoff pay. Pay-in-lieu of notice is only pensionable for terminations.
- For employees already enrolled in the plan, or those who meet their two-year requirement during the layoff, pension contributions are required for "pick-up" shifts.

The **Leave of Absence Package**, and Sections 5A and 5B of the **Employer Administration Manual** will be updated shortly to reflect the new policy and will be made available in the **Employers & Unions** section of our website.

If you have any questions about the policy change please contact:

Dolores Schmidtke

Manager, Benefit Services

Phone: (204) 942-6591 ext. 307

Toll-free: 1-888-842-4233 (outside Winnipeg)

Email: dolores.schmidtke@hebmanitoba.ca