

**These Rules are Current to June 19, 2013****PUBLIC SERVICE PENSION PLAN  
POST-RETIREMENT GROUP BENEFIT RULES**

Effective January 1, 2004

**Background**

Until 2004, the *Public Service Benefit Plan Act*, R.S.B.C. 1996, c 386, provided legislative authority for group benefits provided to retired members of the Public Service Pension Plan continued under the *Public Sector Pension Plans Act*, S.B.C. 1999, c 44. The Pensioner Group Benefit Funding Regulation, B.C. Reg. 141/95, set out the subsidy schedules for the payment of benefit premiums for retired plan members.

Order in Council 440/02, approved and ordered May 30, 2002, delegated authority for determining post retirement group benefits for Public Service Pension Plan members to the Public Service Pension Board of Trustees pursuant to section 3 of the *Public Service Benefit Plan Act*. Prior to May 30, 2002, the provincial government had entered into contracts and administered group benefits for both active government employees and retirees. As of May 30, 2002, the board was granted authority to determine the terms and conditions of group benefit coverage for its retired members and the rates and methods of contributions.

Effective January 1, 2004, the *Pension Statutes Amendment Act*, 2003 amended Schedule C to the *Public Sector Pension Plans Act* to add a new Part 2.1 - Post Retirement Group Benefits. The new part confirms the authority of the Public Service Pension Board of Trustees to administer group benefits for retired plan members. Section 18.3 of Part 2.1 provides that the board may determine the type of group benefits, who will be eligible to receive benefits and the terms and conditions of coverage. In addition, section 18.3 authorizes the board to collect contributions for group benefit premiums and to determine contributions required from, and subsidy levels provided to, retired plan members.

Effective January 1, 2004, references to "pensioner" in the *Public Service Benefit Plan Act* were removed pursuant to the *Pension Statutes Amendment Act*, 2003, and the Pensioner Group Benefit Funding Regulation was repealed.

Beginning January 1, 2004, the Public Service Pension Plan Post Retirement Group Benefit Rules, made under the authority of Part 2.1 of Schedule C of the *Public Sector Pension Plans Act* and Article 11 of the Public Service Pension Plan Joint Trust Agreement, constitute the rules for the provision of group benefits to retired members of the Public Service Pension Plan.

Post-retirement group benefits are contingent benefits and are subject to the availability of funding. Coverage for these benefits can be increased, decreased or eliminated at the discretion of the Public Service Pension Board of Trustees.

### Interpretation

- 1 (1) This document of the Public Service Pension Board of Trustees constitutes the post-retirement group benefit rules of the Public Service Pension Plan.
- (2) In this document, unless the context requires otherwise:
  - (a) words in the singular include the plural, and words in the plural include the singular;
  - (b) where a word or expression is defined, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
  - (c) headings are used for ease of reference only and do not form part of the Plan;
  - (d) the use of the word “may” is to be construed as permissive and empowering; and
  - (e) the use of the word “must” is to be construed as imperative.

*[Note: Sections of this document that are identical or similar to, or that correspond to, the group benefit rules made for the College Pension Plan, the Municipal Pension Plan, and the Teachers’ Pension Plan under the Act are given identical section numbering to the rules of those other group benefit plans, even though this means breaking the normal sequential section numbering system of this document.]*

### Definitions

- 2 (1) In this document:
  - “**carrier**” means the provider of the dental plan, the extended health care plan or the group life insurance plan;
  - “**dental plan**” means the contract for dental care benefits entered into by the board and the carrier that relates to retired plan members and their dependents;
  - “**dependent**” in respect of the dental plan or the extended health care plan, means the dependent or spouse of the retired plan member as those terms are defined in the respective plan;
  - “**extended health care plan**” means the contract for extended health care benefits entered into by the board and the carrier that relates to retired plan members and their dependents;

**“group life insurance plan”** means the Group Life Insurance Plan Contract, 6878GL (4), carried by Great West Life Assurance Company;

**“Medical Services Plan”** [definition repealed]

**“pensionable service of the member”** [definition repealed]

**“premium”** means

- (a) in relation to the dental plan, the monthly amount of fees or costs payable by the retired plan member for coverage under the dental plan for the member and the member’s dependents,
- (b) in relation to the extended health care plan, the monthly amount of fees or costs payable by the retired plan member for coverage under the extended health care plan for the member and the member’s dependents, and
- (c) in relation to the group life insurance plan, the monthly amount of fees or costs payable by the retired plan member for coverage under the group life insurance plan for the member;

**“retired plan member”** has the same meaning as in section 18.1 of Schedule C of the *Public Sector Pension Plans Act*;

- (2) The definitions in section 1(1) and Part 13 of the Public Service Pension Plan rules, except where a contrary definition is set out in this document, apply to this document.

### **Group benefit program to be provided to retired plan members**

- 3 (1) The program of post-retirement group benefits for retired plan members and their dependents are those set out in the following:
  - (a) the dental plan;
  - (b) the extended health care plan;
  - (c) Repealed;
  - (d) the group life insurance plan.
- (2) The terms and conditions under which the group benefits may be provided to retired plan members and their dependents are as set out in each plan referred to in subsection (1).

### **Dental plan premiums**

- 4 (1) If a retired plan member
  - (a) applies for and is enrolled in, or continues to be enrolled in, the dental plan,
  - (b) commences to receive or is in receipt of a pension, the amount of which is sufficient to pay the monthly dental plan premium which the member is required to pay, and

- (c) elects or has elected, in writing to the plan administrative agent, to have the member's monthly dental plan premium deducted from the member's pension and remitted to the dental plan carrier,

the plan administrative agent must pay to the dental plan carrier, the fees or costs required by the contract for dental care for coverage for the member and, if elected, the member's dependents.

- (2) The payment of fees and costs under subsection (1) must, subject to section 9, be funded by deducting from the retired member's pension 100% of the monthly premium for coverage under the dental plan for the member and, if elected, the member's dependents.

**Extended health care plan premiums**

- 5 (1) If a retired plan member
  - (a) applies for and is enrolled in, or continues to be enrolled in, the extended health care plan,
  - (b) commences to receive or is in receipt of a pension, and
  - (c) elects or has elected, in writing to the plan administrative agent, to have the member's monthly contribution to the payment of the premium deducted from the member's pension and remitted to the extended health care plan carrier,

the plan administrative agent must, subject to section 9, pay to the extended health care plan carrier the fees or costs required by the contract for extended health care, and that amount must be funded by the monthly contribution to the payment of the premium deducted from the member's pension, in accordance with subsection (2), and to the extent that such contributions are less than the fees or costs required by the contract for extended health care, then the balance of the fees or costs are to be deducted from employer contributions in accordance with section 8.

- (2) Subject to subsection (3), a retired plan member referred to in subsection (1) must make the following contribution to the payment of the premium for extended health care plan coverage of the member:
  - (a) 100% of the premium if the pensionable service of the member is less than 24 months,
  - (b) 80% of the premium if the pensionable service of the member is 24 or more months and less than 48 months,
  - (c) 60% of the premium if the pensionable service of the member is 48 or more months and less than 72 months,
  - (d) 40% of the premium if the pensionable service of the member is 72 or more months and less than 96 months,
  - (e) 20% of the premium if the pensionable service of the member is 96 or more months and less than 120 months,
  - (f) 0% of the premium if

- (i) the pensionable service of the member is 120 or more months, or
  - (ii) the member terminated employment on or before December 31, 1998.
- (3) For the purposes of subsection (2), if a retired plan member is receiving a pension following the death of a plan member, the deceased plan member's pensionable service shall not be recognized in determining the pensionable service of the retired plan member.
- (4) A retired plan member referred to in subsection (1) who elects to obtain extended health care plan coverage for the member's dependents must pay 100% of the premium for extended health care plan coverage for the member's dependents.

### **Medical Services Plan premiums**

6 Repealed

### **Group life insurance premiums**

- 7 (1) If a retired plan member
- (a) was, immediately before termination of employment for retirement purposes, enrolled in the group life insurance plan provided under the *Public Service Benefit Plan Act*,
  - (b) applies to continue to be enrolled in the group life insurance plan,
  - (c) commences to receive or is in receipt of a pension on or after April 1, 2001, the amount of which is sufficient to pay for the portion of the group life insurance plan premium which the member is required to pay, and
  - (d) elects or has elected, in writing to the plan administrative agent, to have the member's monthly contribution to the payment of the premium deducted from the member's pension and remitted to the group life insurance carrier,
- the plan administrative agent must pay to the group life insurance plan carrier the fees or costs required by the contract for group life insurance, and that amount must be funded by employer contributions to the pension fund, in accordance with subsection (2) and section 8, and to the extent that such contributions are less than the fees or costs required by the group life insurance plan, the balance of the fees or costs are to be deducted from the member's pension.
- (2) The amount to be paid from employer contributions to the pension fund referred to in subsection (1), is equivalent to the portion of the premium required for basic coverage that was formerly paid for by the employer, immediately prior to the member's termination of employment.

- (3) Enrollment in the group life insurance plan under subsection (1) continues no later than the earlier of the death of the member or the member reaching age 65.

**Payment from employer contributions**

- 8 One hundred percent of the amounts under sections 5 and 7, required to be paid from employer contributions to the supplemental benefits account, must be provided from employer contributions under section 6(1)(c) and (d), and 6(2.1)(b)(ii) of the Public Service Pension Plan Rules.

**Insufficient monthly pension to cover monthly premiums**

- 9 (1) Despite sections 4 and 5, if a retired plan member's monthly pension is not sufficient to pay all of the individual or aggregate portions of the monthly premiums required under sections 4, 5(2) and 5(4), the member may elect to have coverage under the dental plan and the extended health care plan by paying directly to the carrier that portion of the monthly premium which the member is required under section 4(1), 5(2) and 5(4) to pay.
- (2) If the retired plan member described in subsection (1) does not make the election described in subsection (1), or if after making such election, the retired plan member's monthly pension payment is not sufficient to pay for the individual or aggregate portions of the monthly premiums required under sections 4, 5(2) and 5(4), the plan administrative agent must cancel the retired plan member's or dependent's coverage under one or both of the dental plan and the extended health care plan as of the date determined by the plan administrative agent.
- (3) Before canceling coverage under subsection (2), the plan administrative agent must give the retired plan member 30 days written notice of the intention to cancel coverage.
- (4) Any shortfall in the amounts owing by a retired plan member under sections 4, 5(2) and 5(4) shall remain an obligation of the retired plan member. In no event shall any shortfall be paid out of employer contributions in accordance with section 8.

**Appeals**

- 10 (1) Appeals of a carrier's decisions with respect to the post-retirement group benefits provided herein will be subject to the carrier's benefit review and appeal process.
- (2) For greater certainty, appeals referred to in subsection (1) will not be subject to the appeal process established under Article 8 of the Public Service Pension Plan Joint Trust Agreement.