

A New Program Available for Cowan Clients

Employee and Family Assistance Program

Cowan, in partnership with Homewood Human Solutions, has launched a new program for employers, employees and their families. This comprehensive Employee and Family Assistance program (EFAP) focuses on providing short-term counselling as well as a wealth of online wellness resources and information. Cowan's EFAP offers businesses and organizations of all sizes the same EFAP services available to some of Canada's largest employers at a low pooled rate.

Cowan's EFAP includes the following services, with no hidden fees. All services are included in the EFAP rate:

Short-term Counselling (no pre-set session limits)

- Face-to-face
- By Phone
- Online (web or e-mail)

Crisis Management Services (onsite trauma assistance)

Plan Smart Services

- Childcare and Parenting Services
- Elder and Family Care Services
- New Parent Outreach Service
- Legal Advisory
- Financial Advisory Service

Health Coaching

- Smoking Cessation Counselling
- Nutritional Counselling
- 12 Weeks to Wellness

Career Smart

- Career Counselling
- Pre-Retirement Planning Services
- Shift Worker Support
- Workplace Issue Counselling

Online Resources

- E-Learning Courses
- The Health and Wellness Companion (including Health Risk Assessments)
- A-Z Wellness Library
- HR Resource Library



What's inside

Page 2

- Pension Plan "Superfund" on the Horizon?

Page 3

- Pension Plan Records Management and Retention
- Changes in GST/HST Rules for Pension Plans
- **Save the Date** Health and Disability Management Seminars

Page 4

- Bill 168 Revisited: Is Your Organization Compliant?
- Biologic Drugs

Please contact your Cowan consultant to receive more information including pricing benefits gained through participating in Cowan's pooled EFAP.

Pension Plan “Superfund” on the Horizon?

Cowan’s 2010 Employee Bulletins contained a number of updates about pension reform, including changes to the Pension Benefits Act and the Canada Pension Plan (CPP). 2010 was also a year of continued debate related to the adequacy of the current retirement income system in Canada.

*Approximately 32%*¹ of working Canadians have access to a pension plan through their employer and, if RRSPs are included, this rises to just over 50%.² Only a small percentage of employers with under 100 employees provide access to a workplace retirement savings plan.*

**1) Statistics Canada, 2008 *2) Baldwin Report, 2008*

In 2010, the provincial and federal Finance Ministers met to discuss potential enhancements to the CPP while industry groups favoured a private sector solution that would create a multi-employer “superfund” for unrelated organizations.

Late in 2010, Federal Minister Jim Flaherty proposed the creation of a Pooled Retirement Pension Plan (PRPP), moving away from the previous focus on increasing contributions and benefits under CPP. Industry associations and insurers are applauding the proposal

saying it will increase access to a retirement savings vehicle for smaller organizations. The PRPP would be set up in a way that would reduce the governance/fiduciary responsibilities associated with single employer plans. It is still being debated whether or not a plan like this would be mandatory for employers to participate in.

We will keep you posted as this issue unfolds.

Regardless of the final outcome, it continues to be important for individual Canadians to have access to information and tools to help them with their retirement planning and to understand how the various programs (government, employer and personal) fit together.

Keep in mind - although the current pension plan rules don’t allow for this type of multi-employer pension plan for unrelated employers, there are current options for Group Registered Retirement Savings Plans (GRRSP) for smaller organizations.

If you have any questions about the PRPP proposal or GRRSP options available for your organization please contact Teresa Norris-Lue, VP Benefits, Cowan Insurance Group, Cambridge office.



Pension Plan Records Management and Retention

In our July 2010 Employee Benefits Bulletin, the article “Changes Coming to Ontario Registered Pension Plans” mentioned proposed changes to Records Management and Retention rules. The changes include:

- modernizing the terminology from “documents” to “records” in order to broaden the meaning to include electronic/multimedia information,
- retention of pension plan records for a prescribed period of time, and
- the authorization to use electronic transmission to send notices, statements and other plan records to members if the Plan Administrator has permission from the member.

We have created a special bulletin that includes information about:

- What Plan Records Are
- Categories of Plan Records
- Retention Period of Plan Records
- Who is Responsible for Records Management and Retention
- Developing a Formal Policy

It can be found on our website at www.cowangroup.ca/newsletters/pprnr

Call your Cowan consultant if you would like assistance in developing your policy.

Changes in GST/HST Rules for Pension Plans

Recent Goods and Services Tax (GST) and Harmonized Sales Tax (HST) changes have created new compliance requirements for certain types of pension plans.

In order to determine if your pension plan is subject to the new rules, you must first determine whether your plan is defined as a “pension entity”. The current definition of a pension entity includes a registered pension plan trust or a corporation registered for the administration of the pension plan.

Many pension plans are not captured by this definition because they are funded solely by insurance contracts or policies (where no trust is present). This means that registered pension plans funded through insurance contracts/policies should not be subject to these new rules. In these instances, all requirements related to GST/HST management and reporting of the insurer’s segregated funds will be handled by each respective insurer.

However, since this is a tax issue, you should consult your tax advisor to confirm how these rules and regulations affect your specific pension plans.

Save the Date

Health and Disability Management Seminars May 11th and May 18th

“Disability Management: Taking the Complexity out of Complex Cases” will provide employers with solutions and discussion about some of the most common challenges such as return to work planning, accommodation requests, frequent and patterned absences, and the duty to accommodate.

OTTAWA **May 11, 2011**
Franklin Room,
Chimo Hotel

CAMBRIDGE **May 18, 2011**
Townhall,
Cowan Building in
Cambridge

Northern dates will be announced soon.
All meetings will be breakfast sessions.

We will be sending out invitations soon and details will also be posted on our website at www.cowangroup.ca/seminars.

Bill 168 Revisited: Is Your Organization Compliant?

On June 15, 2010 Bill 168 (Workplace Violence and Harassment) was officially put into effect as part of the Occupational Health and Safety Amendment Act. This change brings Ontario in line with the rest of Canada, with respect to the employer's legislated duty to provide a safe and healthy workplace, including the freedom from harassment.

Where this legislation breaks ground is related to the inclusion of domestic violence. Ontario is the first province to extend workplace violence protection to domestic violence. Ontario is also the first province to specifically include the fear of violence as a basis for refusing

dangerous work under the Occupational Health and Safety Act. An employer can no longer turn a blind eye to an employee who is being abused at work or at home.

What does this mean for Ontario employers?

Not complying with the new requirements could result in fines from the Ministry of Labour (MOL) of up to \$500,000 for an organization, or up to \$25,000 and/or jail time for an individual.

If you are unsure whether you are compliant with Bill 168, please contact your Cowan consultant and we can help.

Biologic Drugs

Biologic drugs represent a relatively new wave of medications that have come to the market and are growing at a much faster pace than that of other pharmaceutical drugs. Health Canada stated it simply, "traditional drugs are single-molecule formulations developed through chemical processes, whereas biologic drugs are large, complex molecules developed from, or through, the action of living organisms. **(To find out more about biologic drugs visit <http://www.hc-sc.gc.ca/sr-sr/biotech/health-prod-sante/index-eng.php>)**

Biologic drug price tags may be higher than those of traditional drugs, but they represented less than 1% of all prescriptions filled last year. On average, the cost of treating a patient with a biologic drug such as; Remicade, Humira, and Enbrel could be approximately \$15,000 - \$35,000 per year.

It is difficult to determine the impact of these trends on a particular plan, as it will depend on the composition and size of the group, its location and the plan design currently in place. However, there are a number of approaches that plan sponsors can use to manage related costs.

1. Introduce annual or lifetime maximums on all drugs. Alternatively, if it can be properly adjudicated, implement maximums for biologic and oncologic (cancer) drugs only.
2. Introduce prior-authorization (PA). PA functions on the premise that plan members must submit medical information from their physician before reimbursement can be granted to justify the medical need for expensive drugs when less costly alternatives may be available.
3. Plan sponsors with a Pay Direct Drug plan may elect managed drug formularies as a measure to control the impact of expensive specialty drugs.

Looking ahead to 2011 and beyond, the usage of new biologics is forecasted to grow at twice the rate of traditional products over the next 5 years. They have improved the health of many plan members, allowing them to stay at work - but they require plan sponsors take a closer look at what kind of coverage and protection they want to provide.

Discuss biologics with your Cowan consultant to review your organization's philosophy and group plan details and any changes you may want to consider to help control future plan costs.



This bulletin is produced by the Benefits and Retirement Consulting Division of Cowan Insurance Group and its subsidiary, Wentworth Financial Services. We help public and private-sector clients manage their group benefits, retirement and health and disability management plans.

Wentworth Financial Services

105 Main Street East, Suite 605

Hamilton, ON L8N 1G6

Phone: 905-528-0193

Toll Free: 1-800-463-5386

www.cowangroup.ca/wwebb-may11