

MEMBERSHIP BULLETIN UNIFOR LOCAL 2002 GROUP INSURANCE DISABILITY INCOME PLAN (GIDIP)

November 2020

To All Members:

The GIDIP Board of Trustees have been working diligently with Canadian Benefits (Plan Administrator) during the last few months. We understand the challenges our membership have faced within the Airline Industry over the past several months as a result of COVID-19 pandemic, as well as the impact this has had on workers and their families. We hope you are all keeping safe and healthy.

Our emerging challenge is the increased cost required by the Insurer, Manulife Financial, to maintain GIDIP benefits for our Membership based on the recent claims' levels. The GIDIP Plan has experienced high utilization costs and significantly lower contributions due to the recent layoffs.

The GIDIP Plan renewal negotiations this year have been intense. The Insurer's original position included an increase to the Short-Term Disability (STD) Plan of 26% and an increase to the Long-Term Disability (LTD) of 10%. Your Trustees felt this was unjustified and for the last two months have been working with Canadian Benefits (Plan Administrator) and the Insurer to find an acceptable solution.

Following the negotiations with the Insurer, they have agreed to modify their initial position, which resulted in a reduction in the increase previously proposed by the Insurer. The increase rate will now be; STD 8% and LTD 8%. This increase will amount to approximately \$500,000 annually. This cost will be absorbed by the Trust Fund Investments prudently built up over the past few years, so there will be **no change in the contribution rates**. The current rate is 3.542% of your gross earnings which has not changed since 2008. However, there are some minor changes and improvements to the Plan as noted below.

The following GIDIP Plan changes will take effect **January 1, 2021**:

- STD Phase I benefit maximum will increase from \$575 to **\$600** weekly (non-taxable to the disabled member).
- STD Proof of Claim Notice will be shortened for submission to **3 months** from the current **6 months**.
Written proof of claim must be submitted to the Plan Administrator no later than **3 months** following the initial date of disability. In addition, any requests made by the Plan Administrator for further medical evidence will be required to be submitted within the **3 month period** as well.

As a result of these plan changes, there are no increased costs to our Membership. However, your Trustees will monitor closely the emerging experience as a result of these improvements.

Further to the above, it was the intention of the Trustees to implement a one (1) week reduced waiting period to the GIDIP STDI Elimination period (from the current two (2) weeks) to match the Employment Insurance (EI) changes effective January 1, 2021. However, due to the Employer's inability to meet the required deadline to implement this improvement, and also provide the service level required to effectively manage this implementation, we expect to announce this Plan improvement in the upcoming months of 2021.

The Trustees will continue to update the Membership on a regular basis going forward as there have been many misconceptions and erroneous statements made about the true value of the GIDIP.

We will continue to keep you informed of the financial position of our GIDIP Plan and we are confident that the Plan represents the best value for money and protection of our Memberships wages.

In Solidarity,

Your GIDIP Board of Trustees

Sophia Michailidis, Eastern Region Trustee/Chairperson
Astrid Metzler, Western Region Trustee
Terry Carlucci, Central Region Trustee
Ross McConkey, Pacific Region Trustee/Secretary-Treasurer
Martin Melanson, Atlantic Region Trustee