

Terms for Benefit Options
July 14, 2015

This information is provided for clarification purposes and with the intent to outline an overall description of the benefits options as well as terms of coverage. It is the direct responsibility of the individual to initiate any necessary steps to proceed with preferred conversion options from those available, depending on the elected option.

Employees have the option to choose one of the following pension and benefits options:

a) Payment *in lieu* of benefits and pension.

- Under this option, employees who accept a voluntary severance package will be provided with a payment of \$35,000 *in lieu* of benefits and pension.
- Current Group benefit coverage will cease on the effective date of resignation. Normal conversion options will apply (See summary of benefit conversion options from group coverage to individual coverage below).
- Any claims incurred prior to the effective resignation date will be paid by Sun Life provided they are submitted within 90 days of the end of the plan year in which the expense was incurred or within 90 days of resignation, whichever is earlier.

b) Continuation of benefit coverage for two years plus a payment *in lieu* of pension.

- Under this option, employees who accept a voluntary severance package will be provided with continued benefit coverage, at the level in effect on the resignation date, for a period of two years following the effective date of resignation, with the following exclusions:
 - Out of Canada travel coverage
 - Personal Spending Account
 - Optional Life and Optional AD&D coverage
 - Salary Continuance during the 90-day LTD qualifying period

Note:

1. Out of country travel coverage will end on the effective date of resignation (this coverage also ends for any pre-approved travel arrangement). Individual out of country travel coverage can be purchased through various insurance providers.
2. The annual \$500 Flexible Spending Program allotment will be directly allocated to the Health Spending Account. Allocations will follow the normal schedule, January 1st following the effective date of resignation and the year after. Allocations to the Personal Spending Account will not be permitted past the effective date of resignation. Any claims under the Personal Spending Account

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incurred prior to the resignation date will be paid by Sun Life provided they are submitted within 90 days of the end of the plan year in which the expense was incurred or within 90 days of resignation, whichever is earlier.

3. The Optional Life and Optional AD&D coverage may be converted to an individual plan, please see the conversion options table under the "Option a)".

- Employees will be provided with Long Term Disability (LTD) coverage under a Sun Life plan for a period of two years following the effective date of resignation. The new LTD plan will have the same terms and conditions as the current LTD plan, subject to the following restrictions:
 - The benefit amount will be based on the employee's earnings at the date of resignation and will be subject to the maximum covered earnings for the plan (which includes maximum covered earnings under the Core LTD plan and Supplemental LTD plan (Class F3)).
 - No Cost of Living Adjustments (COLA)
 - No salary continuance coverage during the 90-day LTD qualifying period
 - LTD coverage will terminate on the earliest of:
 - two years from date of resignation, or
 - June 30th coincident with or next following the member's 67th birthday, or
 - member becomes eligible under another benefit plan during the two year period
 - In the event the individual qualifies for LTD during the 2 year period after the date of resignation, LTD benefits will be paid to the earliest of:
 - June 30th coincident with or next following the member's 67th birthday,
 - date of death, or
 - a maximum benefit period of 5 years
 - To qualify for benefits, an employee must be totally disabled:
 - An employee will be considered totally disabled:
 - while the employee is continuously unable due to an illness to do the essential duties of the employee's own occupation, during the elimination period and the following 24 months, and
 - afterwards while the employee is continuously unable due to an illness to do any occupation for which the employee is or may become reasonably qualified for by education, training or experience.
 - LTD benefits will be reduced by standard offsets as well as earnings received from the university or any other source (excluding severance payments from the university)
 - If a person becomes disabled after their resignation date, LTD benefits would be paid for a maximum of five years as outlined above, but all other benefits would end after the two-year period.
 - No pension contributions on behalf of disabled employees
 - Additional notes:
 - Clinicians over age 67 are not eligible for LTD coverage
 - No LTD conversion option at the end of the two year period

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- Employees will be provided with a payment of \$25,000 *in lieu* of pension.
- Benefit coverage will cease two years after the effective date of resignation. Normal conversion options would apply. (See summary of benefit conversion options from group coverage to individual coverage below).
- Any claims incurred prior to the date coverage ends will be paid by Sun Life provided they are submitted within 90 days of the end of the plan year in which the expense was incurred or within 90 days of the date coverage ends, whichever is earlier.
- The following provides a summary of the benefit conversion options from group coverage to individual coverage after the two years of additional coverage end:

Benefit Conversion Options

The following table provides a summary of the benefit conversion options from group coverage to individual coverage. The information contained in this table outlines conversion options that can take place immediately in the event an employee elects option a) as identified above, as well as with respect to coverage under the group benefit that will not continue to be offered under the two year coverage under option b) as identified above. In addition, the table also outlines conversion options at the end of the two year coverage for those individuals who elect to continue coverage as outlined in option b) above.

Note:

- Benefit premiums are employee paid and will vary in accordance with age and coverage selected.
- All providers offer different levels of coverage, limitations and exclusions.
- Other private insurers would include (but not limited to) Saskatchewan Blue Cross, Manulife Financial, Group Medical Services, RBC.
- In all cases, employees have the option to seek coverage under the Saskatchewan Medical Association (SMA) group plan.
- The information contained in the table is as of July 2015 and could be subject to changes in the future at the discretion of the insurers.

	Sun Life Financial	Other Benefit Providers (i.e. Blue Cross, GMS, Manulife, RBC)
Options a) and b) Extended Health Care	<ul style="list-style-type: none"> • No medical evidence of insurability required if converted within 60 days of termination and under the age of 75 • Includes prescription drug coverage • Coverage available for dependents 	<ul style="list-style-type: none"> • Many insurers offer individual medical insurance policies, some available without medical evidence when leaving a group plan (e.g., Manulife's FollowMe™ Health Individual Insurance product or Saskatchewan Blue Cross' Conversion Plans) • Plan details, transition period and age limit may vary with each provider

		<ul style="list-style-type: none"> Plans may include core health plan with options to add additional coverage such as prescription drugs, vision, dental Coverage available for dependents
Options a) and b) Dental	<ul style="list-style-type: none"> Optional to choose Enhanced plan which includes Dental 	<ul style="list-style-type: none"> Optional to add to core health plan
<p>Option a) Basic / Optional Life Insurance (Including Clinician top-up)</p> <p>Option b) At time of resignation: • Optional Life Insurance After the two year coverage: • Basic Life Insurance (Including Clinician top-up)</p>	<ul style="list-style-type: none"> No medical evidence of insurability required if converted within 31 days of termination Maximum allowed is \$200,000 (applies separately for Basic Life and Optional Life policy) If death occurs within 31 day conversion period your beneficiary or estate will receive the amount to which you were eligible to convert. 	<ul style="list-style-type: none"> Many insurers offer individual life insurance policies, some available without medical evidence when leaving a group plan (e.g., Manulife's FollowMe™ Life Insurance product) Plan details, transition period, coverage maximums and age limitations may vary with each provider
<p>Option a) LTD (Including Clinician top-up)</p> <p>Option b) LTD (Including Clinician top-up)</p>	<ul style="list-style-type: none"> No conversion option available for LTD benefits 	<ul style="list-style-type: none"> No conversion options available however, some insurers offer individual disability insurance plans, subject to medical evidence (e.g., RBC)
<p>Option a) Flexible Spending Program (including Health Spending Account and Personal Spending Account)</p> <p>Option b) After the two year coverage: Flexible Spending Program (Health Spending Account only)</p>	<ul style="list-style-type: none"> No conversion option available for flexible spending program 	<ul style="list-style-type: none"> No conversion option available for flexible spending program

With respect to both options, a) **payment *in lieu* of benefits and pension** and b) **Continuation of benefit coverage for two years plus a payment *in lieu* of pension**, the following terms will apply in the event of death:

In the Event of Death	Severance Package	Life Insurance Payout to Beneficiaries	Other Benefits (Health, Dental, HSA) Coverage	Pension Contribution
Death occurs before resignation date, not on LTD	No severance package	Yes	Ceases on date of death	Ceases on date of death
Death occurs before resignation date, on LTD	No severance package	Yes	Ceases on date of death	Ceases on date of death
Not elect benefits, death occurs after resignation date	The balance of any outstanding severance payments would be paid	No	Ceases on date of resignation	Ceases on date of resignation
Elected benefits, death occurs after resignation date, not on LTD, before the end of two years period	The balance of any outstanding severance payments would be paid	Yes	Ceases on date of death	Ceases on date of resignation
Elected benefits, death occurs after resignation date, on LTD, before the end of two years period	The balance of any outstanding severance payments would be paid	Yes	Ceases on date of death	Ceases on date of resignation
Elected benefits, death occurs after resignation date, on LTD, after the end of two years period, before the end of maximum five years benefits period	The balance of any outstanding severance payments would be paid	Yes	Ceases at end of two years period	Ceases on date of resignation
Elected benefits, death occurs after resignation date, not on LTD, after the end of two years period	The balance of any outstanding severance payments would be paid	No	Ceases at end of two years period	Ceases on date of resignation