

In Reply Please Quote Our File Number:

January 5, 2016

Steve Joy
CUPE Local 1867
Nova Scotia Highway Workers Union
271 Brownlow Ave
Dartmouth, NS B3B 1W6

Dear Mr. Joy:

Re: Upcoming Rate Adjustments for Employee Benefits Plans

The purpose of this letter is to advise you of the rate adjustments required for the Province's employee health and dental plan for the 2016-17 policy year. Adjustments are required to cover the increasing costs of the benefits covered by our plan and will be implemented in January, 2016.

Emerging trends in the health plan have made the increase necessary. For example, the cost of specialty medications will continue to increase over the next five years. The health plan also saw significant increases under the Extended Health Benefits line due to high cost medical equipment purchases. These factors combined, validate the need to adjust the health plan rates. This is the first increase since 2010.

The claims charged to the dental plan are slightly less than projected. Therefore, a slight decrease in the dental rates is warranted and will offset the increase in the health rates.

The following information summarizes the required adjustments:

Employee Type	Type of Health/Dental Plan	Current Employee Bi-weekly cost	New Employee Bi-weekly cost	Bi-weekly Difference
Employees under age 65	Single	\$18.92	\$20.13	\$1.21
	Family	\$46.73	\$49.66	\$2.93
Employees over age 65 (employee cost reduces at 65 under this Plan because Seniors Pharmacare is available)	Single	\$11.10	\$11.53	\$0.43
	Family	\$29.64	\$30.86	\$1.22

The employer's bi-weekly costs will increase by \$2.26 Single/\$5.46 Family for employees under 65 and increase by \$0.81 Single/\$2.28 Family for employees over 65.

I am pleased to advise you that the rates for the Basic Life and Optional Life Insurance benefits will remain unchanged for the upcoming policy year.

These adjustments will be implemented on the January 21, 2016, pay date. Communication to employees will take place in advance of this date.

Please contact me if you have any questions or concerns.

Sincerely,



Laura Lee Langley
Commissioner

c: Cathy Rankin, Director, Benefits
Rollie King, Executive Director, Labour, Employee Relations and Benefits
Dana MacKenzie, Managing Director, Employee Relations