



Bulletin #505

March 5, 2019

RSMCs AND LONG TERM DISABILITY INSURANCE

We have received many questions and concerns from RSMCs regarding Long Term Disability Insurance (LTD). We hope this bulletin answers your questions and addresses your concerns.

Mandate

The National Executive Board gave the Pay Equity Committee the mandate to complete the Pay Equity study and to obtain the same rights and benefits as the Urban workers. Coverage for Long Term Disability was part of our mandate.

Coverage

Prior to LTD, RSMC members were covered by the Extended Disability Plan which provided an additional 74 weeks of coverage once the Short Term Disability plan of 30 weeks had been exhausted. This meant that if a member was disabled, for more than 2 years and could not work, they would be without pay.

LTD provides for coverage up to the age of 65, as long as you meet the definition of total disability. This means, if you become totally disabled at the age of 25 you could collect LTD until the age of 65.

Premiums

Premiums are split 50 -50 between Canada Post (CPC) and the members. Each year the Union, CPC and Sun Life (the Long Term Disability Provider) meet to discuss how the plan is working. We receive information on all the financial aspects of the plan and discuss whether the premiums should be raised, lowered or maintained. Currently the members pay per month; \$1.87 per \$1,000 of annual insured earnings. Canada Post pays the same.

Retroactivity

As per the Memorandum of Agreement on Pay Equity, the retroactive period begins January 1st, 2016. This means that any RSMC member who becomes disabled on or after January 1st, 2016 will be covered by the Long Term Disability Plan. That also means that RSMC members must pay premiums from January 1st, 2016. The retroactive premiums will not be deducted until the retroactive pay for wages is paid out.

Mandatory

The Long Term Disability Plan is mandatory. In the early 1970s Urban members were given the choice to join the plan or opt out. Since then the plan is mandatory for all regular employees.

In their later years, many members regretted opting out when they ran out of sick leave and were disabled with no money and no safety net of the LTD. If you have any other questions, please contact your Local.

Solidarity!

Members of the Pay Implementation Committee,

Nancy Beauchamp

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