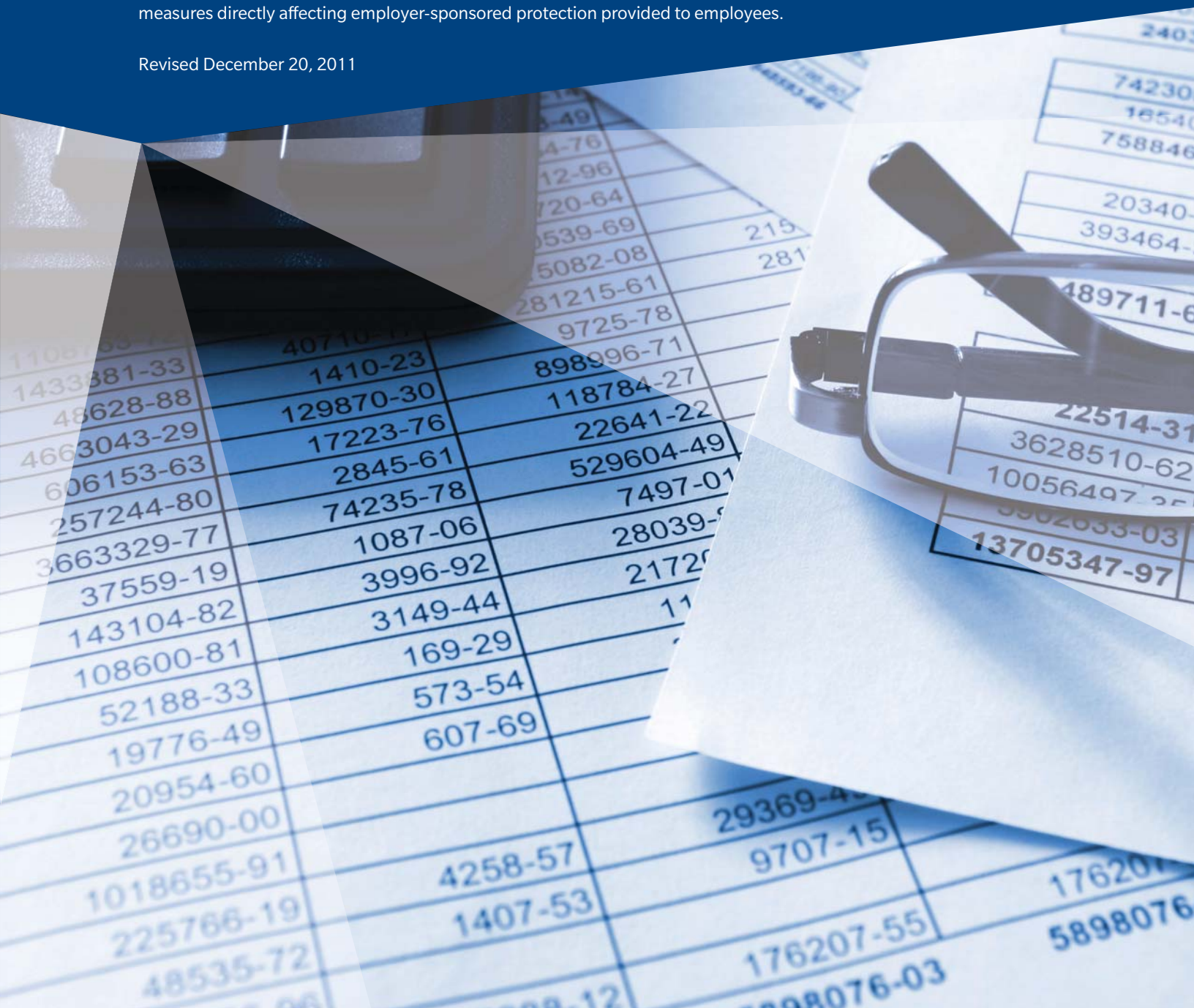


# BENEFITS LEGISLATION IN CANADA 2012

This document summarizes Canadian legislation affecting benefits plans (except Nunavut and Northwest Territories). Canadian legislation covers a broad range of social and tax measures directly affecting employer-sponsored protection provided to employees.

Revised December 20, 2011



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# I. OLD AGE SECURITY ACT

Payments indexed quarterly to reflect changes in cost of living

## 1. OLD AGE SECURITY (OAS) PENSION

- From age 65, regardless of means, subject to residence requirements, full monthly pension of \$540.12 as at January 1, 2012
- Full pension if 40 years of residence in Canada after age 18; otherwise, full pension if at least age 25 on July 1, 1977, lived in Canada on that date (or had lived in Canada before that date, but after age 18), and has lived in Canada for 10 continuous years prior to the OAS pension application (each missing year during the 10-year period may be replaced by 3 years of earlier residence in Canada, provided the person lived in Canada during the whole year before the application)
- Persons not eligible for a full pension: partial pension of  $\frac{1}{40}$  of full pension per year of residence after age 18, if at least 10 years of residence after age 18
- Special provisions apply to immigrants from countries that have a social security agreement with Canada
- Clawback: OAS pensioners with net income exceeding \$69,562 in 2012 must repay 15% of the excess net income up to the full OAS amount; based on the OAS pension as at January 1, 2012, the full OAS pension would be eliminated if the pensioner's net income were \$112,772 or above; since July 1, 1996, OAS benefits are reduced at the time of payment to reflect the clawback

## 2. GUARANTEED INCOME SUPPLEMENT (GIS)

- Subject to income test and residence requirements
- OAS pensioners age 65 or over
- Maximum monthly benefit as at January 1, 2012:
  - \$732.36 for single pensioner or for pensioner whose spouse is not receiving OAS pension or the Allowance
  - \$485.61 for each spouse when both are receiving OAS pension or for pensioner whose spouse is receiving the Allowance
- Additional income supplements of varying amounts also paid by Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Ontario, Saskatchewan and Yukon

## 3. ALLOWANCE AND SURVIVOR ALLOWANCE

- Subject to income test and residence requirements
- Payable from age 60 to 65 to eligible spouses and surviving spouses of OAS pensioners
- As at January 1, 2012, maximum monthly allowance for spouses is \$1,025.73 and maximum allowance for surviving spouses is \$1,148.35

### Recent Change

Effective July 1, 2011, beneficiaries of the Guaranteed Income Supplement (GIS) and the Allowances also receive a top-up benefit of up to \$600 for single seniors and \$840 for couples per year. This top-up will be indexed and is included in the GIS and the Allowance rates.

## II. CANADA/QUÉBEC PENSION PLAN

- Year's Maximum Pensionable Earnings (YMPE) are indexed every year in accordance with a wage index under the Québec Pension Plan (QPP) and the Canada Pension Plan (CPP): \$50,100 in 2012
- Year's Basic Exemption (YBE) under the QPP and the CPP: \$3,500
- Pensions indexed annually based on cost-of-living increases: 2.8% increase, effective January 1, 2012

### 1. CONTRIBUTIONS

#### ■ Employee contribution rate:

- QPP: 5.025% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2012: \$2,341.65)
- CPP: 4.95% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2012: \$2,306.70)

#### ■ Employer contribution rate:

- QPP and CPP: Same rate as for employees

#### ■ Self-employed contribution rate:

- QPP: 10.05% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2012: \$4,683.30)
- CPP: 9.9% of employment earnings up to YMPE, in excess of YBE (maximum contribution in 2012: \$4,613.40)
- CPP: contributions are required for every retired person under age 65 who chooses to work (optional for every retired person over age 65); contributions

will provide additional pension through the Post-Retirement Benefit (PRB)

- QPP: contribution is required for every retired person who works if earnings exceed the YBE; the pensionable earnings for a given year will give entitlement to an additional pension from January 1 of the following year; a retired person who continues to be employed and to contribute to the QPP for several years after retirement will be entitled to additional pensions
- QPP: in case of phased-in retirement, QPP contributions may be made based on a full salary

### 2. RETIREMENT BENEFITS

#### ■ Eligibility:

- QPP: if contributions made for at least one year, from age 65 (60 if a person has substantially ceased working which means that the earnings calculated on an annual basis do not exceed \$12,525 in 2012)
- CPP: if at least one valid contribution is made, from age 60

- **Monthly benefits:** 25% of average monthly pensionable earnings adjusted in relation to average YMPE in the year of retirement and the preceding 4 years; subject to certain restrictions, some months of lowest earnings may be dropped in the calculation of the average pensionable earnings, or replaced by months after age 65

- Maximum monthly pension payable from age 65 in 2012: \$986.67

- QPP: Pension reduced by 6% per year if taken between ages 60 and 65 (maximum of 30%);

increased by 6% per year if taken after age 65 (maximum of 30%)

- CPP: Pension reduced by 6.24% per year if taken between ages 60 and 65 (maximum of 31.2%); increased by 7.68% per year if taken after age 65 (maximum of 38.4%)
- Pensionable earnings may be split equally between parties for benefit and eligibility purposes in case of divorce, separation or declaration of nullity if spouses cohabited for a minimum period
- Spouses may share their pension if they are age 60 or over
- CPP: retirement benefits for disability pension recipients from 1998 are based on the benefit at time of disability indexed to inflation instead of recomputation at retirement
- QPP: retirement benefits for disability pension recipients from 1999 are reduced by 0.5% for each month for which they received a disability pension between ages 60 and 65

### 3. DEATH BENEFITS

- **Eligibility:** contributions during 1/3 of the deceased's contributory period or 10 years, whichever is less (subject to a minimum of 3 years)
- **Lump-sum payment:** lesser of 6 times deceased's monthly retirement pension and \$2,500 (CPP); \$2,500 (QPP)
- **Surviving spouse's monthly benefit:**
  - while spouse is under age 65:
    - CPP: \$173.82 + 37.5% of deceased's retirement pension (maximum in 2012: \$543.82); unless disabled or has dependent children, spouse under age 45 entitled to reduced benefit, and no benefit if under age 35
    - QPP: fixed monthly amount + 37.5% of deceased's retirement pension (for details, see table on the following page)

- while spouse is age 65 or over: CPP/QPP, 60% of deceased's retirement pension (maximum in 2012: \$592.00)
- if surviving spouse is also entitled to retirement or disability benefits, combined benefit is subject to various maximum amounts

- **Orphan's monthly benefit:** CPP/QPP, \$224.62 per orphan in 2012; payable to dependent children only (under 18 or, for CPP only, under 25 if attending school); for CPP only, orphan may receive double benefits if both parents have died and were eligible contributors

### 4. DISABILITY BENEFITS

- **Definition of disability:** inability to regularly perform any substantially gainful occupation (under QPP, own occupation if age 60 or over); disability must likely result in death or be of indefinite duration
- **Eligibility:** contributions in disabled's contributory period for:
  - CPP: at least 4 (3 only for contributory period of at least 25 years) of the last 6 years
  - QPP: at least 2 of the last 3 years, at least 5 of the last 10 years or for half of the years (minimum of 2 years)
- Monthly benefits payable from the 4th month following month of disability
- **Contributor's monthly benefit:** \$445.50 (CPP) or \$445.47 (QPP) + 75% of contributor's retirement pension (maximum in 2012: CPP, \$1,185.50; QPP, \$1,185.47)
- **Children's benefit:** same as orphan's benefit

### Surviving Spouse's Benefit under QPP

Age of Spouse	Fixed Monthly Amount*	Maximum in 2012
45 to 65 or disabled	\$445.47	\$815.47
Non-disabled under 45 with dependent child	\$413.62	\$783.62
Non-disabled under 45 without dependent child	\$114.09	\$484.09

\* 37.5% of deceased's retirement pension is added to this amount

#### Recent Changes

- Canada Pension Plan: effective January 1, 2012, several changes coming into force, such as removal of the work cessation test, increase in the general low earnings drop-out, mandatory contributions for working CPP pensioners under age 65 and changes to adjustments for early and late CPP take-up
- Quebec Pension Plan: Effective January 1, 2012, increase in contribution rate for employees, employers and self-employed and major increase of orphan's monthly benefits

#### Anticipated Changes

- Quebec Pension Plan: effective January 1, 2013, changes to adjustments for late QPP take-up coming into force; effective January 1, 2014, changes to adjustments for early QPP take-up coming into force; effective January 1, 2014, several changes coming into force, such as the possibility of receiving a pension from age 60 with no reduction in working time and disability coverage for retirees

# III. PRIVATE PENSION PLANS

Registered pension plans are complex employee benefit programs that are governed by provincial and federal pension legislation with respect to minimum benefits and by the federal *Income Tax Act* with respect to maximum benefits. This section provides an overview of the provincial and federal pension legislation with respect to minimum benefits.

Please note that Yukon falls under federal pension legislation and Prince-Edward Island has tabled pension legislation in the provincial assembly in December 2010, which has not yet been adopted.

ELIGIBILITY		
Employees who belong to the class of employees for whom the plan is provided may join the plan upon completion of the following conditions		
Jurisdictions	Full-time Employees	Part-time Employees
Alberta, British Columbia	<ul style="list-style-type: none"> <li>24 months of continuous service and</li> <li>earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership</li> </ul>	<ul style="list-style-type: none"> <li>24 months of continuous service and</li> <li>earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership</li> </ul>
Federal, New Brunswick, Newfoundland and Labrador	<ul style="list-style-type: none"> <li>24 months of continuous service</li> </ul>	<ul style="list-style-type: none"> <li>24 months of continuous service and</li> <li>earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership</li> </ul>
Manitoba	<ul style="list-style-type: none"> <li>mandatory membership after 2 years of continuous service</li> </ul>	<ul style="list-style-type: none"> <li>mandatory membership after 2 consecutive years of continuous service if employee meets threshold specified by plan in each of 2 consecutive calendar years preceding membership (threshold can be based on earnings only, to maximum of 35% of YMPE; hours only, to maximum of 700 hours; or meeting either earnings test (maximum of 35% of YMPE) or hours test (maximum of 700) for two consecutive calendar years)</li> </ul>
Nova Scotia, Ontario, Saskatchewan	<ul style="list-style-type: none"> <li>24 months of continuous service as a full-time employee</li> </ul>	<ul style="list-style-type: none"> <li>24 months of continuous service and</li> <li>earnings of 35% of YMPE in each of 2 consecutive calendar years preceding membership or</li> <li>700 hours of employment in each of 2 consecutive calendar years preceding membership</li> </ul>
Québec	<ul style="list-style-type: none"> <li>earnings of 35% of YMPE or</li> <li>700 hours of employment in calendar year preceding membership</li> </ul>	<ul style="list-style-type: none"> <li>earnings of 35% of YMPE or</li> <li>700 hours of employment in calendar year preceding membership</li> </ul>

After a certain period of time, members are entitled to employer's contributions which must be used to provide for a pension at retirement (i.e. cannot be withdrawn in cash).

VESTING AND LOCKING-IN		
Jurisdictions	Benefits accrued between effective date and reform date <sup>1</sup>	Benefits accrued after reform date
Alberta	<ul style="list-style-type: none"> <li>■ 10 years of service or participation and</li> <li>■ age 45</li> </ul>	<ul style="list-style-type: none"> <li>■ before 2000: 5 years of service</li> <li>■ after 1999: 2 years of participation</li> </ul>
British Columbia	<ul style="list-style-type: none"> <li>■ vesting after 2 years of participation for all benefits</li> <li>■ locking-in after 2 years of participation for benefits after effective date</li> </ul>	<ul style="list-style-type: none"> <li>■ 2 years of participation</li> </ul>
Federal	<ul style="list-style-type: none"> <li>■ immediate vesting</li> <li>■ 2 years of participation for locking-in</li> </ul>	<ul style="list-style-type: none"> <li>■ immediate vesting</li> <li>■ 2 years of participation for locking-in</li> </ul>
Nova Scotia, Ontario <sup>2</sup> , Newfoundland and Labrador	<ul style="list-style-type: none"> <li>■ 10 years of service or participation and</li> <li>■ age 45</li> </ul>	<ul style="list-style-type: none"> <li>■ 2 years of participation</li> </ul>
Manitoba and Québec	<ul style="list-style-type: none"> <li>■ immediate vesting and locking-in</li> </ul>	<ul style="list-style-type: none"> <li>■ immediate vesting and locking-in</li> </ul>
New Brunswick	<ul style="list-style-type: none"> <li>■ lesser of:               <ul style="list-style-type: none"> <li>- 5 years of service, and</li> <li>- 2 years of participation after 2000</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ 2 years of participation</li> </ul>
Saskatchewan <sup>3</sup>	<ul style="list-style-type: none"> <li>■ one year of service or participation, and</li> <li>■ age plus years of service or participation equal 45</li> </ul>	<ul style="list-style-type: none"> <li>■ 2 years of service</li> </ul>

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.

2. For Ontario, the reform date in this case is January 1, 1987.

3. For Saskatchewan, the reform date in this case is January 1, 1994.

The employee contributions must not pay more than 50% of the value of the benefits or accrued pension under the plan.

MINIMUM EMPLOYER CONTRIBUTION – 50% RULE		
Jurisdictions	Vested benefits accrued between effective date and reform date <sup>1</sup>	Vested benefits accrued after reform date
Alberta, Manitoba, Nova Scotia, Ontario <sup>2</sup> and Newfoundland and Labrador	N/A	<ul style="list-style-type: none"> <li>■ employers must provide for at least 50% of the value of benefits at termination, retirement or death</li> <li>■ excess employee contributions may be refunded</li> </ul>
British Columbia, New Brunswick and Saskatchewan	<ul style="list-style-type: none"> <li>■ employers must provide for at least 50% (or such other percentage as is provided under the plan in New Brunswick) of the value of benefits at termination or retirement (or death in British Columbia)</li> <li>■ excess employee contributions may be refunded</li> </ul>	<ul style="list-style-type: none"> <li>■ employers must provide for at least 50% of the value of benefits at termination, retirement or death</li> <li>■ excess employee contributions may be refunded</li> </ul>
Federal	<ul style="list-style-type: none"> <li>■ employers must provide for at least 50% of the value of benefits at termination, retirement or death</li> <li>■ not applicable if plan provides indexation at prescribed rate during deferral period</li> <li>■ excess employee contributions may not be refunded and must provide for an additional pension</li> </ul>	<ul style="list-style-type: none"> <li>■ employers must provide for at least 50% of the value of benefits at termination, retirement or death</li> <li>■ not applicable if plan provides indexation at prescribed rate during deferral period</li> <li>■ excess employee contributions may not be refunded and must provide for an additional pension</li> </ul>
Québec	N/A	<ul style="list-style-type: none"> <li>■ employers must provide for at least 50% of the value of benefits at termination, retirement or death</li> <li>■ excess employee contributions may not be refunded and must provide for an additional pension</li> </ul>

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.

2. For Ontario, the reform date in this case is January 1, 1987.

Transferability of commuted value upon termination of employment must be offered up to eligibility for early retirement in all jurisdictions.

PORTABILITY OF COMMUTED VALUE	
Jurisdictions	Applicable conditions and restrictions
All Jurisdictions	<ul style="list-style-type: none"> <li>portability of commuted value upon termination of employment must be offered up to eligibility for early retirement</li> <li>commuted value may be transferred on a locked-in basis to a prescribed retirement savings arrangement</li> </ul>
Alberta	<ul style="list-style-type: none"> <li>portability of commuted value must be offered up to retirement for defined contribution plan</li> <li>from age 50, 50% of commuted value may be transferred on a non-locked-in basis, at member's option and subject to certain conditions</li> </ul>
British Columbia, Québec	<ul style="list-style-type: none"> <li>portability of commuted value must be offered up to retirement for defined contribution plan</li> </ul>
Manitoba	<ul style="list-style-type: none"> <li>portability of commuted value must be offered up to retirement for defined contribution plan</li> <li>from age 55, 50% of commuted value may be transferred on a non-locked-in basis, if plan permits and subject to certain conditions</li> </ul>
Saskatchewan	<ul style="list-style-type: none"> <li>from age 55, 100% of commuted value may be transferred on a non-locked-in basis, if plan permits transfer from that age</li> </ul>

<b>CASH AVAILABILITY UPON TERMINATION OF EMPLOYMENT</b>			
<b>As an exception to the locking-in rule, the commuted value of benefits may be refunded to the plan member if such value is under the prescribed threshold or to non-residents</b>			
	<b>Small Benefit</b>		<b>Non-resident</b>
<b>Jurisdictions</b>	<b>Benefits accrued between effective date and reform date<sup>1</sup></b>	<b>For all benefits accrued : refund of 100% of commuted value under the following circumstances</b>	<b>For all benefits accrued: refund of 100% of commuted value to non-residents under prescribed circumstances</b>
Alberta, Manitoba	<ul style="list-style-type: none"> <li>■ refund of up to 25% of commuted value of pension</li> </ul>	<ul style="list-style-type: none"> <li>■ if annual pension less than 4% of YMPE or if commuted value less than 20% of YMPE</li> </ul>	<ul style="list-style-type: none"> <li>■ Alberta: if allowed under the plan</li> <li>■ Manitoba: if allowed under the plan and if pension not commenced</li> </ul>
British Columbia	<ul style="list-style-type: none"> <li>■ no specific rules</li> </ul>	<ul style="list-style-type: none"> <li>■ if annual pension less than 10% of YMPE or if commuted value less than 20% of YMPE</li> </ul>	<ul style="list-style-type: none"> <li>■ if allowed under the plan and if pension not commenced</li> </ul>
Federal	<ul style="list-style-type: none"> <li>■ no specific rules</li> </ul>	<ul style="list-style-type: none"> <li>■ if commuted value less than 20% of YMPE, if allowed under the plan</li> </ul>	<ul style="list-style-type: none"> <li>■ if allowed under the plan</li> </ul>
New Brunswick	<ul style="list-style-type: none"> <li>■ refund of up to 25% of commuted value of pension</li> </ul>	<ul style="list-style-type: none"> <li>■ if adjusted commuted value less than 40% of YMPE</li> </ul>	✓
Newfoundland and Labrador	<ul style="list-style-type: none"> <li>■ no specific rules</li> </ul>	<ul style="list-style-type: none"> <li>■ if annual pension less than 4% of YMPE or if commuted value less than 10% of YMPE</li> </ul>	N/A
Nova Scotia	<ul style="list-style-type: none"> <li>■ refund of up to 25% of commuted value of pension</li> </ul>	<ul style="list-style-type: none"> <li>■ if annual pension less than 4% of YMPE or if commuted value less than 10% of YMPE</li> </ul>	N/A
Ontario <sup>2</sup>	<ul style="list-style-type: none"> <li>■ refund of up to 25% of commuted value of pension</li> </ul>	<ul style="list-style-type: none"> <li>■ if annual pension less than 2% of YMPE</li> </ul>	N/A
Québec	<ul style="list-style-type: none"> <li>■ no specific rules</li> </ul>	<ul style="list-style-type: none"> <li>■ if commuted value less than 20% of YMPE</li> </ul>	✓
Saskatchewan <sup>3</sup>	<ul style="list-style-type: none"> <li>■ refund of up to 25% of commuted value of pension</li> <li>■ 50% of member contributions with interest</li> </ul>	<ul style="list-style-type: none"> <li>■ if annual pension less than 4% of YMPE or if commuted value less than 20% of YMPE</li> </ul>	N/A

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.

2. For Ontario, the reform date in this case is January 1, 1987.

3. For Saskatchewan, the reform date in this case is January 1, 1994.

PRE-RETIREMENT DEATH BENEFITS		
Jurisdictions	For service after reform date	Spousal waiver
Alberta <sup>4</sup>	<ul style="list-style-type: none"> <li>■ service after 1999: minimum value equal to 100% of commuted value of benefits</li> <li>■ service before 2000: 60% of commuted value of benefits</li> <li>■ refund of member contributions with interest if there is no eligible spouse</li> </ul>	allowed
British Columbia <sup>5</sup>	<ul style="list-style-type: none"> <li>■ 60% of commuted value of benefits</li> </ul>	allowed
Federal	<ul style="list-style-type: none"> <li>■ minimum value equal to 100% of commuted value of benefits</li> </ul>	allowed
Manitoba <sup>6</sup> , Ontario <sup>2</sup> , Québec	<ul style="list-style-type: none"> <li>■ minimum value equal to 100% of commuted value of benefits</li> </ul>	allowed
New Brunswick <sup>5</sup>	<ul style="list-style-type: none"> <li>■ minimum value equal to 100% of commuted value of benefits</li> </ul>	not allowed
Newfoundland & Labrador	<ul style="list-style-type: none"> <li>■ minimum value equal to 100% of commuted value of benefits</li> <li>■ if member was eligible for early retirement, spouse receives a lifetime pension equal to 60% of member's early retirement pension</li> </ul>	not allowed
Nova Scotia	<ul style="list-style-type: none"> <li>■ 60% of commuted value of benefits</li> <li>■ refund of member contributions with interest if there is no eligible spouse</li> </ul>	not allowed
Saskatchewan <sup>7</sup>	<ul style="list-style-type: none"> <li>■ minimum value equal to 100% of commuted value of benefits</li> <li>■ if member was eligible for early retirement, spouse receives a lifetime pension equal to 60% of member's early retirement pension</li> </ul>	allowed

2. For Ontario, the reform date in this case is January 1, 1987.

4. For Alberta, the reform date for pre-retirement death benefits is December 31, 1999.

5. For British Columbia and New Brunswick, the reform date for the pre-retirement death benefits is the effective date.

6. For Manitoba, pre-retirement death benefits include service before 1985.

7. For Saskatchewan, pre-retirement death benefits include service before 1994.

### POST RETIREMENT DEATH BENEFIT

All jurisdictions – for all years of service

- upon member's death, spouse receives a pension equal to 60% of member's pension
- actuarial reduction allowed
- waiver by spouse allowed
- termination of spouse's pension on remarriage prohibited

### EARLY RETIREMENT

Jurisdictions	Early Retirement Age	Early Retirement Pension
Alberta and Federal	within 10 years of pensionable age	actuarial reduction allowed
British Columbia and Newfoundland and Labrador	from age 55	actuarial reduction allowed
Manitoba, New Brunswick, Nova Scotia, Ontario, Saskatchewan	within 10 years of normal retirement age	actuarial reduction allowed
Québec	within 10 years of normal retirement age	<ul style="list-style-type: none"> <li>■ actuarial reduction allowed</li> <li>■ employees retiring within 10 years of normal retirement age may receive a temporary pension from their plan until age 65</li> </ul>

PHASED RETIREMENT BENEFITS	
Jurisdictions	Applicable conditions and restrictions
Alberta	<ul style="list-style-type: none"> <li>■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans, subject to certain age criteria and to a maximum of 60% of accrued pension</li> <li>■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member must accrue pension benefits during phased retirement period</li> <li>■ Employees on working-time reduction and who are within 10 years of pensionable age may receive an annual lump sum benefit from their plan to make up for part of pay loss (pension is reduced to take into account amount paid)</li> </ul>
British Columbia and Federal	<ul style="list-style-type: none"> <li>■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans subject to an individual agreement, certain age criteria and to a maximum of 60% of accrued pension</li> <li>■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member accrues pension benefits during phased retirement period</li> </ul>
Manitoba	<ul style="list-style-type: none"> <li>■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans subject to an individual agreement, certain age criteria, reduced work hours and pay and to a maximum of 60% of accrued pension</li> <li>■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member accrues pension benefits during phased retirement period</li> </ul>
New Brunswick, Nova Scotia, Ontario, and Newfoundland and Labrador	Not offered
Québec	<ul style="list-style-type: none"> <li>■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans subject to an individual agreement, certain age criteria and to a maximum of 60% of accrued pension</li> <li>■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member may accrue pension benefits during phased retirement period</li> <li>■ Defined contribution plans may, subject to certain age criteria, offer phased retirement benefits (other than a pension) funded from the member's defined contribution account, to a maximum of 60% of the prescribed ceiling related to life income funds with pension benefit accrual allowed during phased retirement period</li> <li>■ Employees on working-time reduction and who are within 10 years of or have reached or exceeded normal retirement age may receive an annual lump sum benefit from their plan to make up for part of pay loss (pension is reduced to take into account amount paid)</li> </ul>
Saskatchewan	<ul style="list-style-type: none"> <li>■ Phased retirement benefits in the form of a pension may be offered under defined benefit plans, subject to certain age criteria and to a maximum of 60% of accrued pension</li> <li>■ No reduction of pension accrued under defined benefit plans prior to phased retirement period and member must accrue pension benefits during phased retirement period</li> </ul>

POSTPONED RETIREMENT			
Postponed retirement applies to a member who remains employed by the same employer after normal retirement age			
Jurisdictions	Benefit Accrual during Postponement Period	Payment of Pension during Postponement Period	Latest Retirement Date
Alberta, British Columbia, Federal, New Brunswick, Nova Scotia, Ontario	<ul style="list-style-type: none"> <li>member may continue accrual up to pension plan's maximum service or pension, if pension is not paid</li> </ul>	<ul style="list-style-type: none"> <li>if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual</li> </ul>	latest retirement date is the end of the calendar year in which the member attains age 71
Manitoba	<ul style="list-style-type: none"> <li>member may continue accrual up to pension plan's maximum service or pension, if pension is not paid</li> </ul>	<ul style="list-style-type: none"> <li>postponed pension must be the greater of accrued pension and actuarial equivalent of pension payable at normal retirement age</li> <li>if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual</li> </ul>	
Québec	<ul style="list-style-type: none"> <li>member may continue accrual up to pension plan's maximum service or pension, if pension is not paid and plan allows it</li> <li>postponed pension must be redetermined</li> </ul>	<ul style="list-style-type: none"> <li>partial or whole pension payment may compensate for salary reduction</li> </ul>	
Saskatchewan	<ul style="list-style-type: none"> <li>member entitled to pension accrual or to adjusted pension corresponding to the actuarial equivalent of pension payable at normal retirement age</li> </ul>	<ul style="list-style-type: none"> <li>if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual</li> </ul>	
Newfoundland and Labrador	<ul style="list-style-type: none"> <li>plan may provide for pension accrual, adjusted pension corresponding to the actuarial equivalent of pension payable at normal retirement age, or other arrangement if permitted</li> </ul>	<ul style="list-style-type: none"> <li>if allowed under the plan, pension may be paid while member continues in employment, with no further benefit accrual</li> </ul>	

INTEGRATION OF CPP/QPP BENEFITS	
Jurisdictions	Applicable conditions and restrictions
Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Québec	■ limited to 1/35 per year of credited service
Federal	■ no limit
New Brunswick	■ limited to 1/35 per year of credited service from January 1, 1966
Saskatchewan	■ limited to 1/35 per year of credited service for employment from January 1, 1966
Newfoundland and Labrador	■ reduction according to the formula approved by the Superintendent

INTEGRATION OF OAS BENEFITS	
Jurisdictions	Applicable conditions and restrictions
Alberta, Nova Scotia, Québec	■ limited to 1/35 per year of credited service before reform date <sup>1</sup>
British Columbia and New Brunswick	■ limited to 1/35 per year of credited service before effective date <sup>1</sup>
Federal	■ no limit
Manitoba	■ limited to 3% for service before January 1, 1984
Ontario	■ limited to 1/35 per year of credited service before January 1, 1987
Saskatchewan	■ no integration permitted, with exceptions
Newfoundland and Labrador	■ reduction according to the formula approved by the Superintendent for service before December 31, 1996, and no integration permitted for service after that date

1. See the table at the end of this section for the effective date and the reform date for each jurisdiction.

SEX DISTINCTIONS	
Jurisdictions	Applicable conditions and restrictions
Alberta and Newfoundland and Labrador	no requirements
British Columbia, Federal, Manitoba, New Brunswick, Nova Scotia, Ontario, Saskatchewan	<ul style="list-style-type: none"> <li>■ prohibited for membership eligibility, member contributions and benefits accrued after:               <ul style="list-style-type: none"> <li>- 1986 in Federal and Ontario</li> <li>- 1987 in Nova Scotia</li> <li>- 1991 in New Brunswick</li> </ul> </li> </ul>
Québec	<ul style="list-style-type: none"> <li>■ no requirements other than the prescribed use of sex-distinct mortality tables in benefit value determination</li> </ul>

- **Division of pension benefits on marriage breakdown:** provision in all jurisdictions; generally, limit division to 50% (except British Columbia and federal) of pension benefits accrued during marriage or plan membership; transferability of pension benefits generally allowed
- **Garnishment** of pension benefits permitted in some jurisdictions
- **Minimum interest rate** on member's contributions in all jurisdictions

### Recent Changes

- **Federal:** immediate vesting for all service; pre-retirement death benefit must be at least equal to 100% of commuted value, payable to the spouse (if no spouse, to the beneficiary and if no beneficiary, to the estate); 50% cost-sharing rule applies to all service; a plan may provide for unlocking of benefits, including the survivor pension, where the commuted value of the pension benefit credit is less than 20% of the YMPE in the year of cessation of membership or death; a plan may allow a joint and survivor pension in pay to be converted to the plan's normal form upon breakdown of a spousal relationship when the pension is not divided; if a person is already receiving a joint and survivor pension benefit, a phased retirement benefit can only be paid if that person's spouse consents; new requirements regarding annual statements, pre-retirement death benefit statements and plan termination statements
- **Manitoba:** pension legislation amended in 2011 to provide for adoption by Manitoba of Agreement Respecting Multi-Jurisdictional Pension Plans, and to give Superintendent additional powers to enforce remittance of contributions
- **New Brunswick:** revised definition of spouse, new definition of common-law partner and pension redetermination provisions for qualifying same sex spouses took effect on October 1, 2011
- **Ontario:** pension division rules on spousal relationship breakdown have been completely revamped

### Anticipated Changes

- **British Columbia:** changes to the family law legislation have been adopted but not in force yet and will extend the rules for the division of pension benefit to common law spouses who have been living together for at least 2 years
- **Federal:** if a member eligible to retire ceases membership in a plan, consent of the member's spouse is required prior to transferring out pension benefit credits to a prescribed retirement savings plan
- **Nova Scotia:** introduced new pension standards legislation with many material changes (definition of spouse, vesting, pre-retirement death benefit, small benefit) expected to take effect in 2012
- **Ontario:** changes to pension legislation are expected to come into force in 2012 (elimination of partial wind ups, introduction of phased retirement and immediate vesting, further growth rights and communication requirements, changes to asset transfer rules)
- **Québec:** upcoming regulation to detail the pension funding relief measures applicable until December 31, 2013
- **Pooled registered pension plans:** Federal, provincial and territorial governments have agreed to introduce a new type of broad-based, low-cost, privately administered defined contribution retirement savings vehicle, referred to as a Pooled Registered Pension Plan ("PRPP") by the federal government. The tax rules will allow access to PRPPs to employees (with or without a participating employer) as well as self-employed

## Recent Changes (cont'd)

- **Québec:** extension until December 31, 2013 of the two measures that secure the pension of retirees and certain plan members participating in an underfunded plan that is terminated in connection with the bankruptcy or insolvency of their employer; extension until December 31, 2013 of the temporary funding relief measures
- **Québec and Ontario:** the Agreement respecting Multi-Jurisdictional Pension Plans proposed by CAPSA has been adopted by Québec and Ontario and is effective July 1, 2011; the Agreement intends to clarify the rules applicable to plans that have members in more than one jurisdiction

## Anticipated Changes (cont'd)

- individuals. Pension standards legislation implementing the PRPP framework for federally regulated employees with a participating employer and for persons employed or self-employed in Yukon, the Northwest Territories or Nunavut was introduced in the Canadian Parliament in November 2011. Each province will need to develop and adopt its own enabling legislation. A province could decide, for example, to regulate employees with no participating employers, the self-employed, both groups or neither. Draft proposals to modify the *Income Tax Act* and *Regulations* to accommodate both federally and provincially regulated PRPPs were also released for public consultation in December 2011. It is expected that PRPPs will not be available before 2013
- Some jurisdictions are expected to adopt the Agreement respecting Multi-Jurisdictional Pension Plans proposed by CAPSA in the near future

Jurisdictions	Effective Date	Reform Date
Alberta	January 1, 1967	January 1, 1987
British Columbia	January 1, 1993	---
Manitoba	July 1, 1976	January 1, 1985
New Brunswick	December 31, 1991	---
Newfoundland and Labrador	January 1, 1985	January 1, 1997
Nova Scotia	January 1, 1977	January 1, 1988
Ontario	January 1, 1965	January 1, 1988
Québec	January 1, 1966	January 1, 1990
Saskatchewan	January 1, 1969	January 1, 1993
Federal	October 1, 1967	January 1, 1987

# IV. EMPLOYMENT INSURANCE

## 1. INCOME BENEFITS

- **Maximum yearly insurable earnings:** \$45,900 in 2012

### ■ Benefits in 2012

<b>Rate of benefits</b>	55% of average insurable earnings (total earnings over last 26 weeks)
<b>Maximum weekly insurable earnings</b>	\$883
<b>Maximum weekly benefit</b>	\$485

No benefits for employees who quit their job without just cause or are dismissed for misconduct

- **Family income supplement:** up to 80% of the weekly insurable earnings for claimants with dependent children and a net family income below \$25,921
- **Allowable earnings:** under a pilot project in effect up to August 4, 2012, claimants are entitled to earn up to 40% of their weekly regular, parental or compassionate care benefits (\$75 for those receiving less than \$188 of benefits per week) without any decrease
- **Premium in 2012**

All jurisdictions except Québec:

<b>Employee</b>	<ul style="list-style-type: none"> <li>■ 1.83% of insurable earnings</li> <li>■ Maximum annual premium of \$839.97</li> </ul>
<b>Employer</b>	<ul style="list-style-type: none"> <li>■ 2.562% of insurable earnings</li> <li>■ Maximum annual premium of \$1,175.96</li> </ul>

Québec:

<b>Employee</b>	<ul style="list-style-type: none"> <li>■ 1.47% of insurable earnings</li> <li>■ Maximum annual premium of \$674.73</li> </ul>
<b>Employer</b>	<ul style="list-style-type: none"> <li>■ 2.058% of insurable earnings</li> <li>■ Maximum annual premium of \$944.62</li> </ul>

### ■ Eligibility:

- regular benefits: for employees working a minimum number of hours in the last 52 weeks, from 420 to 700 hours, depending on regional unemployment rate; for new entrants and reentrants to labour force, at least 910 hours required; for reentrant parents, special rules apply
- maternity and parental benefits: all jurisdictions except Québec, 600 hours of insurable employment; Québec, see Section 3
- sickness and compassionate care benefits: 600 hours of insurable employment

### ■ Waiting period: benefits payable after 2 weeks

### ■ Benefit duration:

- maternity and parental benefits for Québec residents: see Section 3
- regular benefits: payable for up to 45 weeks, depending on number of hours worked in last 52 weeks and regional unemployment rate
- maternity and sickness benefits: payable for up to 15 weeks
- parental benefits to take care of a newborn or to adopt a child: payable for up to 35 weeks; may be shared between parents if both eligible
- compassionate care benefits: payable for up to 6 weeks; may be shared between claimants

- maternity, sickness, parental and compassionate care benefits subject to a combined maximum of 50 weeks (could be extended up to 71 weeks under special circumstances); if in combination with regular benefits, total benefit period may not exceed 50 weeks

■ **Clawback:**

- if net income for taxation year exceeds 1¼ times maximum yearly insurable earnings (\$57,375 in 2012), 30% of the lesser of total benefits paid to claimant and the amount by which net income exceeds \$57,375 must be reimbursed
- no clawback for sickness, maternity, parental and compassionate care benefits, or for claimant who received less than 1 week of layoff benefits in the preceding 10 years

■ **Premium reduction:**

- employers with a qualifying short-term disability plan are eligible for premium reduction; qualifying plans must provide benefits at least as generous as Employment Insurance sickness benefits
- amount of reduction: for each calendar year, the rates of premium reduction are established based on 4 categories of qualifying plans; for 2012, the reduction ranges from 27¢ to 42¢ per \$100 of weekly insurable earnings; 5/12 of reduction must be shared with employees in cash or equivalent benefits

■ **Self-employed:**

- eligible to receive maternity, parental, sickness and compassionate care benefits

**2. RE-EMPLOYMENT BENEFITS**

■ Assistance will be provided to those experiencing difficulty in returning to work through various programs such as:

- employment assistance services
- job creation partnerships
- self-employment assistance
- skills development
- targeted wage subsidies

**3. QUÉBEC PARENTAL INSURANCE PLAN**

Benefits paid to all eligible workers—salaried or self-employed—who take maternity leave, paternity leave, parental leave or adoption leave

■ **Maximum annual insurable earnings:**

\$66,000 in 2012

■ **Benefits**

<b>Maternity benefits</b>	Offered to birth mothers only and may not be shared between both parents
<b>Paternity benefits</b>	Offered to fathers only and may not be shared between both parents
<b>Parental benefits</b>	Full number of weeks of parental benefits may be taken by either parent or shared between them, and benefits may be paid concurrently
<b>Adoption benefits</b>	Full number of weeks of benefits may be taken by either parent or shared between them, and benefits may be paid concurrently

■ **Family income supplement:** up to 80% of the weekly insurable earnings for claimants with dependent children and a net family income below \$25,921

■ **Allowable earnings:** claimants entitled to earn up to 25% of their weekly paternity, parental or adoption benefits without any decrease of their benefits (\$50 for those receiving less than \$200 of benefits per week); under certain transitional measures, claimants are entitled, upon application, to earn up to 40% of their weekly paternity, parental or adoption benefits without any decrease (\$75 for those receiving less than \$188 of benefits per week); these rules do not apply to maternity benefits

■ **Premium in 2012:**

<b>Employee</b>	<ul style="list-style-type: none"> <li>■ 0.559% of insurable earnings</li> <li>■ maximum annual premium of \$368.94</li> </ul>
<b>Employer</b>	<ul style="list-style-type: none"> <li>■ 0.782% of insurable earnings</li> <li>■ maximum annual premium of \$516.12</li> </ul>
<b>Self-employed worker</b>	<ul style="list-style-type: none"> <li>■ 0.993% of insurable earnings</li> <li>■ maximum annual premium of \$655.38</li> </ul>

■ **Eligibility:** parent of a child born or adopted on or after January 1, 2006, residing in Québec at the beginning of the benefit period, earning at least \$2,000 of insurable income in the last 52 weeks preceding commencement of benefit payments regardless of the number of hours worked, whose regular weekly income is reduced by at least 40% and being required to pay the premium under the plan

■ **Waiting period:** none

■ **Benefit duration:** parents have a choice between two benefit payment periods: the basic plan and the special plan; weekly benefits are equal to a percentage (see table below) of the average weekly earnings from last 26 weeks

■ The average weekly earnings cannot exceed \$1,269.23 in 2012

■ The maximum weekly benefit is \$951.92 in 2012

Type of Benefits	Basic Plan*	Special Plan*
<b>Maternity benefits</b>	18 weeks at 70%	15 weeks at 75%
<b>Paternity benefits</b>	5 weeks at 70%	3 weeks at 75%
<b>Parental benefits</b>	7 weeks at 70% + 25 weeks at 55%	25 weeks at 75%
<b>Adoption benefits</b>	12 weeks at 70%+ 25 weeks at 55%	28 weeks at 75%

\* Option selected by the first parent filing a claim applies to the other parent

Recent Change

Temporary measure extended to August 4, 2012: increase in allowable earnings when receiving regular, parental or compassionate care benefits

# V. HUMAN RIGHTS AND EQUITY ISSUES

## 1. DISCRIMINATION IN EMPLOYMENT

- Grounds for discrimination in employment may vary between jurisdictions, but the main prohibitions are vis-à-vis: age (defined differently in various jurisdictions); sex, sexual orientation; pregnancy; race; national or ethnic origin; religion or creed; marital status; family status; and physical or mental disability. Many, but not all, jurisdictions also include, as prohibited grounds, political belief or opinion; source of income or social condition and criminal conviction
- Mandatory retirement prohibited in all jurisdictions (but Federal\*) except where there is a *bona fide* occupational requirement and accommodating the employee would impose undue hardship on the employer

\* See Recent Change box below

- All jurisdictions (except Manitoba): statutory exceptions with respect to insurance and pension plans allowing discrimination on specific grounds
- Jurisprudence is emerging in various Canadian jurisdictions challenging the validity of benefit reduction or termination when nearing age 65. The Courts are generally reviewing these provisions in the context of a broader pension or benefit scheme to establish if the provision constitutes age discrimination

## 2. AFFIRMATIVE ACTION AND EMPLOYMENT EQUITY

- Adoption of affirmative action programs allowed in all jurisdictions
- Federal: public and private sector employers with 100 employees or more required to implement employment equity measures

- While not legislated, the Federal Contractors Program requires that employers with 100 employees or more bidding on federal contracts of \$200,000 or more must certify they will implement employment equity measures
- Québec: public sector employers with 100 employees or more are required to establish an employment equity program
- While not legislated, the Québec Contract Compliance Program requires that employers with 100 employees or more soliciting contracts or subsidies of more than \$100,000 must certify they will implement affirmative action programs

## 3. PAY EQUITY AND EQUAL PAY

- All jurisdictions have legislation requiring equal pay for equal or similar work for women and men (with restrictions in some jurisdictions)
- Some jurisdictions have additional pay equity legislation which has as its purpose, the correction of systemic discrimination in compensation for work performed by employees in predominantly female job classes
- Pay equity legislation applies only to the public sector in Manitoba, New Brunswick, Nova Scotia, and Prince Edward Island
- Government policy requires pay equity in the public service in Newfoundland and Labrador
- Pay equity legislation applies to both the public and private sector in Ontario and Québec

### Recent Change

**Federal:** effective December 15, 2012, mandatory retirement will be prohibited, unless there is a *bona fide* occupational requirement

# VI. PUBLIC HOSPITAL AND MEDICAL CARE

## 1. HOSPITAL BENEFITS

- Hospital plans vary by jurisdiction, but they all cover, during the active treatment period, room and board to ward level, operating room and anaesthetic facilities, medically necessary in-patient nursing care, drugs (subject to certain exceptions), laboratory and diagnostic services, and certain out-patient services
- Entry fees and/or daily ward charges for chronic-care and nursing homes exist in most jurisdictions
- All jurisdictions cover expenses incurred out of the province or territory to varying degrees

## 2. MEDICAL CARE, DRUGS, DENTAL CARE AND EYE EXAMINATIONS

### Medical care

- Medicare plans essentially cover all medically required services per Canada Health Act rendered by

medical practitioners at home, office or hospital; depending on jurisdiction, limited coverage available for paramedic services and prosthetic or durable appliances

- Charges incurred by a person temporarily outside province or territory of residence reimbursed to varying degrees

### Drug expenses

*(out of hospital, excluding special programs for low-income persons)*

- All jurisdictions have a drug formulary
- Alberta: 70% reimbursement for residents age 65 and over; out-of-pocket maximum of \$25 per prescription
- British Columbia: family deductible and annual out-of-pocket maximum based on date of birth and net annual family income as per chart below

*Net Annual Family Income	Family Deductible	**Fair PharmaCare Reimbursement (after deductible is reached)	Annual Out-of-Pocket Maximum
<b>For BC residents born in 1940 or later:</b>			
Less than \$15,000	None	70% of eligible prescription drug costs	2% of net annual family income
\$15,000 to \$30,000	2% of net annual family income	70% of eligible prescription drug costs	3% of net annual family income
Over \$30,000	3% of net annual family income	70% of eligible prescription drug costs	4% of net annual family income
<b>For BC residents born in 1939 or earlier:</b>			
Less than \$33,000	None	75% of eligible prescription drug costs	1.25% of net annual family income
\$33,000 to \$50,000	1% of net annual family income	75% of eligible prescription drug costs	2% of net annual family income
Over \$50,000	2% of net annual family income	75% of eligible prescription drug costs	3% of net annual family income

\* Based on line 236 of the income tax return

\*\* Only drugs on the PharmaCare formulary count towards the deductible and out-of-pocket maximum

- Manitoba: for residents without private drug insurance coverage, 100% reimbursement after annual family deductible based on adjusted annual family income (i.e., family income reduced by \$3,000 for spouse and each dependent child under age 18); to calculate the deductible, the adjusted annual family income is multiplied by the PharmaCare deductible rate

Adjusted Annual Family Income	2011-2012 PharmaCare Deductible Rate
\$15,000 or less	2.73%
\$15,001 to \$21,000	3.87%
\$21,001 to \$29,000	3.91% - 4.25%
\$29,001 to \$40,000	4.28%
\$40,001 to \$47,500	4.65% - 4.86%
\$47,501 to \$75,000	4.93%
\$75,001 and up	6.17%

- Newfoundland and Labrador: comprehensive income-based prescription drug program for residents; program covers costs for eligible drugs when out-of-pocket costs exceed specified percentages of net family annual incomes; coverage available for those with net family annual incomes up to \$149,999; private plans remain first payer
- Nova Scotia: Seniors' Pharmacare provides optional coverage for residents age 65 and over; copayment for each prescription of 30% of the prescription cost; annual out-of-pocket maximum of \$382; Pharmacare does not reimburse expenses where seniors are covered by a private plan that provides first-dollar drug coverage in another Canadian jurisdiction; seniors with such private coverage are eligible for reimbursement under Pharmacare when private plan costs exceed \$806 in a year; Family Pharmacare provides optional coverage for Nova Scotia residents not covered by another public program; participants are required to pay a 20% copayment per prescription as well as a deductible; the annual maximum deductible and copayment are based on family size and annual income

- Ontario: under the Drug Benefit Program, residents age 65 and over, with an income over the threshold (\$16,018 for singles, \$24,175 for couples) must each pay an annual deductible of \$100 before they are eligible for coverage (plus up to \$6.11 per prescription); residents age 65 and over with an income below the threshold only have to pay \$2 per prescription; for residents under age 65 whose drug costs are not completely covered by private insurance, there is catastrophic coverage with 100% reimbursement after a large deductible varying with family income and size (plus \$2 per prescription)

- Prince Edward Island: residents age 65 and over pay the dispensing fee (varies from one pharmacy to another) plus \$8.25 toward ingredient costs

- Québec: for all residents not eligible for a group insurance plan, 68% reimbursement after monthly deductible of \$16 per adult and 100% reimbursement after monthly out-of-pocket maximum of \$80.25 per adult

- Saskatchewan: families whose prescription drug costs exceed 3.4% of adjusted annual family income (income adjusted by deducting \$3,500 for each child under age 18) may be eligible for assistance under the special support program; Children's Drug Plan provides coverage for children age 14 and under; maximum patient cost of \$15 per prescription for drugs listed on the Saskatchewan formulary; Seniors' Drug Plan provides coverage for residents age 65 and over, subject to income test; maximum patient cost of \$15 per prescription for drugs listed on the Saskatchewan formulary

- Yukon: for residents who are at least age 65, or age 60 and married to a living Yukon resident who is at least age 65, 100% of lowest priced generic prescription drugs plus certain non-prescription drugs and goods

### Dental care

*(excluding programs for low-income persons)*

- Specific dental and oral surgery in hospital covered in all jurisdictions
- Limited coverage for children in Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Québec and Yukon

**Eye examinations**

(excluding certain special programs for low-income persons and medically required services)

Jurisdictions	Eligibility
Alberta, British Columbia and Manitoba	Residents under age 19, and age 65 and over
Nova Scotia	Residents under age 10, and age 65 and over
Ontario	Residents under age 20, and age 65 and over
Québec	Residents under age 18, and age 65 and over
Saskatchewan	Residents under age 18
Yukon	Residents at least age 65 or 60 and married to a living Yukon resident who is at least age 65

**3. OUT-OF-COUNTRY COVERAGE**

- Emergency out-of-country coverage limited to a maximum per diem rate in all jurisdictions
- With prior approval, services not available in the province or territory of residence may be covered
- See Section XI for more details

**4. CONTRIBUTIONS**

Costs supported in some provinces by employer or resident contributions:

- British Columbia: \$64 single, \$116 family of 2, \$128 family of 3 and over, per month

## ■ Manitoba:

If payroll is ...	Employer contributes ...
More than \$2,500,000	2.15% of payroll
Between \$1,250,000 and \$2,500,000	4.30% on amount in excess of \$1,250,000
\$1,250,000 or less	0%

- Newfoundland and Labrador: employer with payroll in excess of \$1,200,000 contributes 2% tax on payroll in excess of \$1,200,000
- Nova Scotia: residents age 65 and over pay annual premium of up to \$424 for Seniors' Pharmacare Program drug coverage; no premium or fees under the Family Pharmacare Program
- Ontario:
  - employer: 1.95% payroll tax (first \$400,000 of payroll exempt)
  - residents earning more than \$20,000 in taxable income pay Ontario Health Premium to a maximum of \$900
- Québec:
  - employer: 4.26% payroll tax; reduced rate if payroll under \$5,000,000
  - individual residents: 1% of most non-salary taxable income in excess of \$13,660 (excluding the portion between \$28,660 and \$47,490) to a maximum of \$1,000
  - residents covered under the Drug Insurance Plan: annual premium of up to \$563 per adult
  - health contribution of \$200 applies to individuals who reside in Québec and who are at least age 18 by the end of 2012, other than individuals with family income below the Québec Prescription Drug Insurance Plan premium exemption threshold not yet known for 2012 (for illustration purposes, the 2011 threshold, for a person living alone was \$14,410 and \$29,310 for a couple with more than one child)

### Recent Changes

- **British Columbia:** contributions increased, effective January 1, 2012
- **Manitoba:** deductible table modified, effective April 1, 2011
- **Newfoundland and Labrador:** exemption threshold for payroll tax increased to \$1,200,000 from \$1,000,000
- **Québec:** reduction of annual premium under Prescription Drug Insurance Plan (e.g., maximum premium reduced from \$600 to \$563) effective July 1, 2011; health contribution of \$200 applicable to individuals who reside in Québec and are at least age 18 by end of 2012

# VII. FAMILY LEAVES

**Note:** additional rules, which are not addressed in this publication, may apply to other leaves of absence (such as sick leave, organ donor leave and reservist leave)

## 1. MATERNITY LEAVE

- All jurisdictions have provisions regarding maternity leave
- **Eligibility:** from 13 to 52 weeks of service, depending on jurisdiction; British Columbia, New Brunswick and Québec: no requirements
- **Duration:** 17 weeks (Alberta: 15 weeks; Québec and Saskatchewan: 18 weeks); if medically required, extension allowed in Québec; up to 6 weeks in British Columbia and Saskatchewan; up to 5 weeks in Prince Edward Island
- All jurisdictions: employee to be reinstated to the same position or a comparable one after maternity leave
- British Columbia, Nova Scotia, Ontario, Québec, Saskatchewan and federal require participation in employer-sponsored benefits to continue during maternity leave, subject to continuation of employee contributions (Nova Scotia and Saskatchewan: employee may be required to pay employer contributions)
- Québec and federal grant leave to a pregnant or breast-feeding woman when preventive reassignment is impossible and working conditions could be dangerous to the mother's or baby's health or, for federal, if the employee provides a medical certificate indicating that she is unable to work because of pregnancy or breast-feeding

## 2. PATERNITY LEAVE

- Only Québec has provisions regarding paternity leave
- **Eligibility:** no requirements
- **Duration:** 5 weeks; extension allowed if medically required
- Employee to be reinstated to the same position or a comparable one after paternity leave
- Québec requires participation in employer-sponsored benefits to continue during paternity leave, subject to continuation of employee contributions

## 3. PARENTAL LEAVE

- All jurisdictions have provisions regarding parental leave for birth and adoptive parents
- **Eligibility:** from 13 to 52 weeks of service, depending on jurisdiction; British Columbia, New Brunswick and Québec: no requirements
- **Duration:** Alberta, Manitoba and Yukon, 37 weeks; British Columbia, New Brunswick, Ontario and federal, 35 weeks for birth mother and 37 weeks for birth father and adoptive parents; Newfoundland and Labrador, and Prince Edward Island, 35 weeks for birth parents, 52 weeks for adoptive parents; Nova Scotia, 35 weeks for birth mother, 52 weeks for birth father and adoptive parents; Québec, 52 weeks; Saskatchewan, 34 weeks for birth mother, 37 weeks for birth father and 52 weeks for adoptive parents; if the newborn or adoptive child suffers from health condition, extension allowed in Québec; up to 5 weeks in British Columbia and Prince Edward Island; Yukon: must be completed by first anniversary of date of birth or adoption

- Alberta, New Brunswick, Prince Edward Island, Yukon and federal: when both parents take a leave, the combined total duration of those leaves may not exceed the maximum duration permitted; Yukon: both parents cannot normally take leave concurrently
  - **Adopted-child age limit:** New Brunswick, under age 19; other jurisdictions, not specified; federal, based on criteria of the province or territory where parents reside
  - All jurisdictions: employee to be reinstated to the same position or a comparable one after parental leave
  - British Columbia, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and federal require participation in employer-sponsored benefits to continue during leave, subject to continuation of employee contributions (Nova Scotia, Prince Edward Island and Saskatchewan: employee may be required to pay employer contributions; Prince Edward Island: continuing participation does not include pension plans)
  - Québec: 5 days leave including 2-day paid leave upon birth or adoption of child for employee with 60 days of service with employer
- 4. COMPASSIONATE CARE LEAVE**
- All jurisdictions (except Alberta) have provisions regarding compassionate care leave
  - **Eligibility:** Manitoba and Newfoundland and Labrador, 30 days of service; Nova Scotia, Québec and Saskatchewan, 3 months of service; all jurisdictions (except Québec), medical certificate required confirming the family member's high risk of death within the next 26 weeks
  - **Duration:** 8 weeks (British Columbia and Ontario, extension possible up to 8 weeks; Québec, 12 weeks except if child under age 19 with potentially mortal illness, extension allowed up to 104 weeks for parents; Saskatchewan, 12 weeks except if employee also under the EI program, extension allowed up to 16 weeks)
  - New Brunswick, Newfoundland and Labrador, Ontario, Prince Edward Island, Yukon and federal: when two or more individuals take a leave in respect of the same family member, the combined total duration may not exceed the maximum duration permitted
  - All jurisdictions: employee to be reinstated to the same position or a comparable one after leave (in Yukon, not provided specifically by legislation but position of the authorities is to grant the protection)
  - British Columbia, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and federal require participation in employer-sponsored benefits to continue during leave, subject to continuation of employee contributions (Nova Scotia, Prince Edward Island and Saskatchewan: employee may be required to pay employer contributions; Prince Edward Island: continuing participation does not include pension plans)

#### Anticipated Change

**Ontario:** introduction of 8 week family caregiver leave which will come into force on July 1, 2012, once adopted. This leave is separate from the compassionate care leave

# VIII. WORKERS' COMPENSATION

- No-fault guarantee of compensation for work-related injury or disease (exceptions may apply); legislation specifics vary by jurisdiction
- Funded 100% by employers; rating methods vary by jurisdiction
- Provides wage loss, health care, vocational rehabilitation, permanent disability awards and fatality survivor benefits
- **Disability wage loss benefits**
- **Permanent disability pension or lump-sum awards:** based on the degree of physical or mental impairment and ensuing wage loss; Alberta: based on physical assessment of capacity to work and potential wage loss; all jurisdictions have dual award systems providing both wage loss and non-monetary loss awards
- **Adjustment:** all jurisdictions adjust some or all benefits periodically, some on the basis of CPI-related indexation, others with legislated periodic improvements

Jurisdictions	Benefits
Alberta, British Columbia, Manitoba, Québec and Saskatchewan	90% of net eligible earnings
New Brunswick and Ontario	85% of net eligible earnings
Newfoundland and Labrador	80% of net eligible earnings
Nova Scotia	75% of net eligible earnings for first 26 weeks, then 85%
Prince Edward Island	80% of net eligible earnings for first 38 weeks, then 85%
Yukon	75% of gross eligible earnings

# IX. TAX PROVISIONS

## 1. INCOME TAX

- **Old Age Security Act:** payments not subject to clawback are taxable
- **Canada/Québec Pension Plan (C/QPP):** payments taxable; employer contributions deductible; employee contributions subject to a 15% federal tax credit (at provincial level, the percentage used to calculate the tax credit varies with each province; however, for Québec tax purposes, the C/QPP tax credit is included in the basic personal tax credit)
- **Workers' compensation:** payments essentially non-taxable; employer contributions deductible
- **Employment insurance (EI):** payments taxable; employer contributions deductible; employee contributions subject to a 15% federal tax credit (at provincial level, the percentage used to calculate the tax credit varies with each province; however, for Québec tax purposes, the EI tax credit is included in the basic personal tax credit)
- **Québec parental insurance plan (QPIP):** payments taxable; employer contributions deductible; employee contributions subject to a 15% federal tax credit (for Québec tax purposes, the QPIP tax credit is included in the basic personal tax credit)
- **Health and dental expenses:**
  - government plans: individual's contributions not deductible but taxable to employee if paid by employer (for Québec tax purposes, a tax credit on individual's contribution to the Québec Health Services Fund is included in the basic personal tax credit); employers may deduct contributions; benefits not taxable; Québec prescription drug insurance premium qualifies for the medical expense tax credit
  - private plans: employers may deduct their contributions; employee contributions qualify for the medical expense tax credit; employer contributions and benefits not taxable to employees (for Québec income tax purposes, contributions are taxable to employees and qualify for the medical expense tax credit)
    - from 2012, lump-sum amount in settlement of future health and dental benefits is taxable, except where payment is in relation to an employer's insolvency that arose prior to 2012
- **Insured disability plans:**
  - benefits paid from plan to which employer contributed are taxable; employee contributions deductible from taxable benefits; employer contributions not taxable to employees
  - lump-sum amount in settlement of future benefits under a group long-term disability policy is not taxable to the employee
  - benefits paid under employee-pay-all plan not taxable
- **Group life insurance policies:** net employer contributions on total amount of group life insurance and on dependent life insurance considered taxable income for employee; employee contributions in respect of taxable coverage reduce taxable benefit
- **Registered pension plans (RPP):**
  - combined employer-employee contributions to money purchase RPP may not exceed the lesser of 18% of compensation and \$23,820, subject to comprehensive limit if employee also participates in defined benefit RPP or DPSP; allowable contributions fully deductible
  - maximum pension benefit under defined benefit RPP: \$2,646.67 per year of service
  - employee current service contributions to defined benefit RPP may not exceed the lesser of 9% of member's compensation and aggregate of \$1,000 and 70% of member's pension adjustment related to the defined benefit provision; allowable RPP contributions fully deductible (except for limits applicable to past service before 1990); employer

current and past service contributions to defined benefit RPP, tax deductible without limit, but must be approved by tax authorities

■ **Deferred profit-sharing plans (DPSP):**

- employer contributions may not exceed the lesser of 18% of compensation and \$11,910, subject to a comprehensive limit if employee also participates in an RPP; allowable contributions fully deductible; employee contributions are prohibited
- contributions vest, at the latest, after 2 years of plan membership
- employer contributions to DPSP on behalf of beneficiary who is significant shareholder (or related person) disallowed
- registration of a new DPSP is denied if significant shareholder (or related person) is beneficiary

■ **Registered retirement savings plans (RRSP):**

- RRSP deduction limits for 2012:
  - a) individuals not participating in an RPP or DPSP in 2011: lesser of 18% of earned income in 2011 and \$22,970
  - b) members of money purchase RPP and DPSP in 2011: lesser of 18% of earned income in 2011 and \$22,970, reduced by pension adjustment (i.e., employer and employee contributions to RPP and employer contributions to DPSP for 2011)
  - c) members of defined benefit RPP in 2011: lesser of 18% of earned income in 2011 and \$22,970, reduced by pension adjustment (i.e., deemed value of benefits accrued in 2011 under RPP)
 plus any unused RRSP deduction room at the end of 2011
- the RRSP deduction limit for 2012 is increased by the Pension Adjustment Reversal (PAR) calculated for 2012
- the RRSP deduction limit is reduced by net Past Service Pension Adjustments (PSPA)
- unused RRSP deduction room since 1991 may be carried forward indefinitely

- funds accumulated under RRSP may be withdrawn totally or partially at any time prior to end of year in which individual attains age 71; in addition, over same period, these funds may be used to purchase life annuity or fixed-term annuity to age 90 or transferred to a Registered Retirement Income Fund (RRIF)
- tax-free transfer of retiring allowance to RRSP limited to \$2,000 per year of service prior to 1996, plus \$1,500 for each year of service prior to 1989 for which employer contributions to either an RPP or a DPSP have not vested in the employee

■ **Registered Retirement Income Funds (RRIF)**

- Property under a RRIF is derived only as a result of a transfer of funds from another RRIF, an RRSP or an RPP
- Starting in the year after the year a RRIF is established, a minimum amount has to be paid yearly from the RRIF

■ **Tax Free Savings Account (TFSA)**

- Canadian residents age 18 or older can contribute up to \$5,000 to a TFSA in 2012, plus any unused TFSA contribution room at the end of 2011. The contributions are not deductible for income tax purposes
- TFSA holders can make withdrawals at any time, and the total amount of the withdrawals in a calendar year will be added to the contribution room for the following year
- Unused contribution room can be carried forward indefinitely

■ **Private pension benefits:** federal tax credit of 15% (max. \$300) of the first \$2,000 of eligible pension income (at provincial level, the amount eligible and the percentage used to calculate the tax credit vary with each province) may be claimed for total of:

- periodic payments from RPP; and
- annuity payments out of DPSP, RRSP or RRIF and taxable portion of other annuities, if age 65 or over, or regardless of age if received owing to spouse's death

## 2. LIFE AND HEALTH INSURANCE PREMIUM TAX

- 2% of net premiums in Yukon and all provinces except:

Newfoundland and Labrador	4%
Nova Scotia	3%
Prince Edward Island	3.5%
Québec	2.55%
Saskatchewan	3%

(also applicable to most self-insured plans in Newfoundland and Labrador, Ontario and Québec)

- Group insurance plans, including most self-insured plans, are subject to 8% sales tax on net cost in Ontario and 9% in Québec

However, administrative charges for self-insured plans are subject to goods and services tax (GST) or harmonized sales tax, which rates vary by province; additionally to the latter, in Québec, administrative charges for self-insured plans are subject to 9.5% sales tax.

### Recent Changes

- Contribution limits for money purchase RPP and DPSP increased to \$23,820 and \$11,910, respectively; maximum pension benefit per year of service under a defined benefit RPP increased to \$2,646.67, and RRSP dollar limit increased to \$22,970
- As of January 1, 2012, Québec's sales tax on administrative charges for self-insured plans, subject to GST, is increased from 8.5% to 9.5%
- Québec Insurance Premium Tax increased from 2.35% to 2.55% on April 1, 2010

### Anticipated Change

- In response to tax-planning schemes and RRSP/RRIF misuses, measures have been proposed to toughen existing anti-avoidance rules, applicable to transactions occurring after March 22, 2011

# X. SASKATCHEWAN PENSION PLAN

■ **Voluntary money purchase retirement savings plan:** any person age 18 to 71 may participate; membership is not limited to Saskatchewan residents; annual contributions may not exceed \$2,500; contributions are tax-deductible up to the participant's RRSP deduction limit; contributions in excess of the participant's RRSP deduction limit are subject to the RRSP overcontribution rules; no government matching contribution; after six months of plan membership, contributions are locked-in and

must remain in the plan until death or retirement; preretirement death benefit equal to 100% of contributions made together with accrued earnings on that amount; member may elect to start receiving retirement benefits at any time from age 55 or transfer funds to a Locked-in Retirement Account (LIRA) or a Registered Retirement Income Fund (RRIF); postretirement death benefit available depending on the form of pension; no minimum guaranteed monthly pension.

## Recent Changes

Amendments to Saskatchewan legislation and the Income Tax Act to increase the annual contribution limit to \$2,500 from \$600 and to align its tax treatment with that of other tax-assisted retirement savings vehicles (such as tax free transfers from RPPs and RRSPs, eligibility for the pension income tax credit and pension income splitting, rollovers of funds at death in certain circumstances, contributions taken into account in determining RRSP over-contributions). The changes apply retroactively to 2010.

# XI. PROVINCIAL HEALTH INSURANCE COVERAGE OUTSIDE OF CANADA

This section deals with the continuation of provincial health insurance coverage for Canadian residents who work or travel for work outside Canada. It also deals with eligibility to provincial health insurance coverage for Canadians who come back to Canada and foreigners who come to work to Canada. All provinces recommend that personal insurance coverage be purchased for travel outside of Canada. It is strongly recommended that upon arrival in Canada an individual immediately register with the appropriate provincial health care authorities to obtain coverage as soon as possible. Most provincial health care authorities require to be contacted before an individual leaves the country. All provinces will reimburse only within their respective pre-established rates for emergency coverage outside of Canada.

	<b>Alberta</b>	<b>British Columbia</b>	<b>Manitoba</b>
	Alberta Health Care Insurance Plan (AHCIP)	Medical Services Plan (MSP)	Manitoba Health Services Insurance Plan (MHSIP)
<b>Provincial Health Insurance Coverage outside of Canada</b>			
<b>Requirements to maintain coverage</b>	<p>An Alberta resident is eligible to maintain coverage if he/she normally resides in Alberta at least 183 days in a 12-month period</p> <p>If leaving for more than 6 months: he/she may apply for an extension of coverage for up to 4 years for absence due to work or business</p>	<p>A British Columbia resident is eligible to maintain coverage if he/she is physically present in BC for at least 6 months in a calendar year</p> <p>If leaving BC for more than 6 months for vacation or work, coverage can be extended for up to 24 months under certain conditions</p>	<p>A Manitoba resident is eligible to maintain coverage if he/she is physically present in Manitoba for at least 6 months in a calendar year</p> <p>If leaving for temporary employment, coverage can be extended for up to 24 months under certain conditions</p>
<b>Provincial health insurance coverage outside of Canada in case of emergency</b>	<p>Coverage for emergency professional services and hospital services at AHCIP rates</p> <p>Professional services include medically required services provided by physicians and certain services provided by dentists, optometrists, chiropractors and podiatrists</p> <p>Hospital services for in-patients and out-patients</p>	<p>Coverage for emergency medical services that are medically required and hospital services that are normally covered by the MSP at its rates</p> <p>Medical services include services provided by a physician or dentist</p> <p>Hospital services include in-patient hospital care, day care surgical services and only out-patient dialysis treatment</p>	<p>Coverage for emergency medical and hospital services resulting from an accident or sudden attack or illness at MHSIP rates under certain conditions</p> <p>Emergency services provided by a physician and emergency hospital services are covered. They include out-patient and in-patient services</p>

	Alberta (cont'd)	British Columbia (cont'd)	Manitoba (cont'd)
	Alberta Health Care Insurance Plan (AHCIP)	Medical Services Plan (MSP)	Manitoba Health Services Insurance Plan (MHSIP)
<b>Provincial Health Insurance Coverage outside of Canada</b>			
<b>A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer</b>	Eligible for coverage on the date of arrival provided he/she establishes himself/herself as a resident of Alberta and registers within 3 months of arrival	Eligible for coverage after a waiting period consisting of the balance of the month of arrival plus 2 months	Eligible for coverage on the first day of the third month after arrival in Manitoba
<b>Requirements for health coverage when a non-Canadian comes to Canada to work</b>	A person moving to Alberta from outside Canada may be eligible for coverage on the date of arrival if all requirements are met within three months of arrival. Newcomers to Canada are required to present a copy of their Canada entry document	New residents establishing residence in B.C. are eligible for coverage after completing a waiting period that normally consists of the balance of the month of arrival plus two months	A new resident may be eligible to health coverage with adequate Citizenship and Immigration Canada documents. Permanent residents are eligible on date of arrival or on the date permanent residence is granted. Holders of Work Permit valid for at least 12 months are eligible for coverage on date of issue
	Newfoundland and Labrador	New Brunswick	Nova Scotia
	Newfoundland and Labrador MedicalCare Plan (MCP)	New Brunswick Medicare (NBM)	Nova Scotia Medical Services Insurance (MSI)
<b>Provincial Health Insurance Coverage outside of Canada</b>			
<b>Requirements to maintain coverage</b>	A Newfoundland and Labrador ("NL") resident is eligible to maintain coverage for up to 12 months for work purposes outside of Canada upon obtaining an out-of-province coverage certificate. The certificate may be renewed each year to provide up to 3 years of out-of-province coverage	A New Brunswick resident is eligible to maintain NBM coverage provided he/she lives in New Brunswick for at least 183 days (consecutive or not) during a 12-month period  A request can be made every 3 years to extend coverage for up to 12 months  If leaving for a longer period, coverage may be extended for up to 2 years if an application for "mobile worker" or "contract worker" status is granted	A Nova Scotia resident is eligible to maintain coverage if he/she is ordinarily present in Nova Scotia for 183 days a year  Coverage may be continued for up to 1 year even though the physical presence requirement is not met: <ul style="list-style-type: none"> <li>■ if the person is a mobile worker (i.e. frequently travels outside of Nova Scotia because of employment) and he/she does not establish residency elsewhere; or</li> <li>■ if the person is engaged in an employment outside of Canada that does not exceed 24 months and his/her permanent and primary home is in Nova Scotia</li> </ul>

	<b>Newfoundland and Labrador (cont'd)</b>	<b>New Brunswick (cont'd)</b>	<b>Nova Scotia (cont'd)</b>
	Newfoundland and Labrador MedicalCare Plan (MCP)	New Brunswick Medicare (NBM)	Nova Scotia Medical Services Insurance (MSI)
<b>Provincial Health Insurance Coverage outside of Canada</b>			
<b>Provincial health insurance coverage outside of Canada in case of emergency</b>	<p>Coverage for medical services at MCP rates or at rates established by MCP depending on the circumstances</p> <p>Out-of-country hospital services that would have been covered by MCP if provided in NL will be reimbursed at rates determined by MCP</p> <p>Medical services include all services provided by physicians in case of illness requiring medical treatment, and certain surgical dental treatment carried out by a dentist in a hospital</p>	<p>Coverage for emergency medical services at NBM rates or at rates established by NBM depending on the circumstances</p> <p>Hospital in-patient and out-patient emergency services are reimbursed at prescribed rates</p> <p>Medical services include medically required services provided by physicians and certain services provided by dentists and other professionals</p>	<p>Coverage for emergency medical services at MSI rates</p> <p>Emergency hospitalization services and services provided by a physician are covered as a result of an accident or sudden illness</p>
<b>A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer</b>	Eligible for coverage on the day of arrival provided he/she becomes a resident of NL	Eligible for coverage on the first day of the third month following the month of arrival if he/she is establishing residence in New Brunswick	Eligible for coverage on the first day he/she becomes a permanent resident of Nova Scotia
<b>Requirements for health coverage when a non-Canadian comes to Canada to work</b>	Canadian Citizens, Landed Immigrants, and Foreign Workers must present proof of eligibility under the Plan. Landed Immigrants must present Record of Landing Documents from Immigration Canada. If Landed status was granted in Newfoundland and Labrador, proof of intention to remain in Newfoundland and Labrador may be required. All foreign applicants should be prepared to present a valid foreign passport for identification purposes	If you have moved to New Brunswick, you may be eligible for New Brunswick Medicare coverage on the first day of the third month following the month you have established permanent residence in New Brunswick	<p>Landed immigrants who establish permanent residence in Nova Scotia become eligible on the day they become resident</p> <p>If Work Permit is issued: eligible to apply for MSI upon their arrival in Nova Scotia, provided they will be remaining in Nova Scotia for at least one full year and have signed a declaration. Coverage will begin on the date of arrival in Nova Scotia or the date the Work Permit was issued, whichever is the later date</p>

	Ontario	Prince Edward Island	Québec
	Ontario Health Insurance Plan (OHIP)	PEI Hospital and Medical Services Plans	Régie de l'assurance maladie du Québec (RAMQ)
<b>Provincial Health Insurance Coverage outside of Canada</b>			
<b>Requirements to maintain coverage</b>	An Ontario resident is eligible to maintain coverage if he/she is physically present in Ontario for 153 days in any 12-month period, and is physically present for 153 days of the first 183 days immediately after establishing his/her primary place of residence in Ontario	A PEI resident must ordinarily be present in PEI for at least 6 months plus 1 day unless a waiver is obtained  Under some circumstances, health coverage for emergency or sudden illness may be extended for up to one year. Health PEI should be notified prior to departure	A Québec resident must not spend 183 days or more outside Québec in any calendar year (excluding periods of 21 consecutive days or less)  Exceptions may apply in special situations
<b>Provincial health insurance coverage outside of Canada in case of emergency</b>	Coverage for emergency health and hospital services within OHIP rates if provided to an insured person  Medically necessary services for an illness or injury that is acute and unexpected, that arises outside Canada and requires immediate treatment, are covered. OHIP only pays very limited amounts for services provided by a physician, hospital or health facility	Coverage for basic health services and emergency or sudden illness at PEI rates only  Basic health services include services provided by physicians when medically required and by other practitioners under certain conditions	Coverage for emergency professional services or hospital services resulting from a sudden illness or accident within RAMQ rates provided the same services are covered in Québec  Emergency professional services covered are those provided by physicians, dentists, optometrists or pharmacists
<b>A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer</b>	Eligible for coverage after being a resident for 3 full consecutive months, provided he/she has not stopped being a resident since meeting 3-month waiting period requirement	Eligible for coverage on the first day he/she becomes a permanent resident of PEI provided he/she shows proof of Canadian citizenship	Eligible for coverage after a waiting period of up to 3 months following his/her registration
<b>Requirements for health coverage when a non-Canadian comes to Canada to work</b>	There may be a 3-month waiting period for OHIP coverage. If the person is a newcomer to Ontario, the waiting period begins on the date the person establishes residence in Ontario. The person is also required to be present in Ontario for 153 days of the first 183 days immediately following the date residency is established in Ontario	If establishing permanent residence in PEI may be eligible for provincial health insurance on the first day he/she becomes resident. Citizens of other countries will have their status in Canada confirmed with the Department of Immigration	Persons who take up residence in Québec may be eligible after a waiting period of up to 3 months following registration.  If a social security agreement is signed between Québec and the non-Canadian's country of origin then the 3-month waiting period may be reduced

<b>Saskatchewan</b>	
Saskatchewan Health Benefit (SHB)	
<b>Provincial Health Insurance Coverage outside of Canada</b>	
<b>Requirements to maintain coverage</b>	<p>A Saskatchewan resident is eligible to maintain coverage if he/she is physically present in Saskatchewan for a period of at least 6 months each year</p> <p>If leaving for up to 1 year for the purpose of a business engagement or employment, coverage can be maintained during the absence. Under certain conditions, coverage can be maintained if person has obtained a work contract outside of Canada not exceeding 24 months</p>
<b>Provincial health insurance coverage outside of Canada in case of emergency</b>	<p>Coverage for emergency medical or hospital care up to SH pre-set rates</p> <p>Emergency hospital services covered are those provided for emergency medical care from an approved general hospital outside of Canada if the same services would be covered in Saskatchewan</p> <p>Medical services include services provided by a physician or optometrist in case of emergency.</p> <p>Hospital services include in-patient services and out-patient hospital visits</p>
<b>A Canadian without provincial coverage returning from a foreign country after working abroad for his/her employer</b>	<p>When returning after an absence of more than 24 months, may be eligible for coverage upon establishing residence in Saskatchewan within 3 months of arrival to Canada</p>
<b>Requirements for health coverage when a non-Canadian comes to Canada to work</b>	<p>If permanent resident or employed under a work permit, will be eligible on the day that he/she establishes residence in Saskatchewan, provided residence is established before the first day of the third month after having been admitted to Canada</p>



This document was prepared by Mercer. It is intended as an overview of Canadian legislated benefits (except Nunavut and Northwest Territories).

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