

Questions That Will Guide Your Employee Benefit Plan

- Does the benefit plan compare favorably to what the competition offers, so that employees feel fairly treated?
- Do the employees appreciate how much money the employer is spending on the benefit plan? *how can you know/measure “appreciation”?*
- Is the benefit plan with the correct insurer for both cost and service?
- Are the employees happy with the ease of use of the plan?
- Do the employees have problems with claims that need to be corrected with the insurance company?
- Has the HR person advised all employees of the 31-day life change rule? *What is this rule?*
- Is there a process to regularly advise employees of same?
- Has the firm advised each employee what “life change” means?
- Does the HR person understand the serious implications of being a “late applicant”?
- Is the firm enrolling all employees onto the benefit plan? (Some plans allow for 90% participation, but we recommend you aim for 100% participation rate.)
- Is there a clear distinction between full-time and part-time personnel and their eligibility and/or requirement to be on the benefit plan?
- Has the firm offered the “top-up” group life or LTD to each employee?
- If the employee has declined the top-up LTD or group life coverage, does the firm have a “sign-off” that the employee has declined the coverage?
- Does the insurance company’s definition of “income” mesh with the way that the employer pays income? (“Salary” is not the same as “dividends” or “commissions.”)
- If the firm’s personnel consists of incorporated professionals, does the insurance company acknowledge the different ways that person may receive income?
- When an employee’s income changes, is the insurance company advised immediately?
- Is there a corporate policy for continuation of benefits for an employee who becomes disabled?

- Is there a process for filing an LTD claim promptly?
- Does the plan include any non-eligible employees? If so, you may be paying premiums for somebody who is not really insured, come claim time. You also may unwittingly be committing fraud and the insurance company won't pay any claim, even for legitimate employees.
- Is the firm clearly documenting who paid for the Long-Term Disability? (There is different tax treatment at claim time, depending on who paid the premium)
- If you change the plan or terms of the plan, are the employees clearly advised of any reduced benefits?
- Does the employer understand the definitions and contractual clauses in the Long-Term Disability section of the Employee Benefit Plan policy and how it compares to other insurance companies?
- Does the employer know how to hire employees with the promise of "benefits" or "benefits the same as you have now"? For a variety of reasons this might not be possible and it may put the employer at risk of a lawsuit.
- Does the employer know not pay medical and/or dental bills on an ad-hoc basis? The CRA might not allow the expense as a deduction to the firm, privacy concerns are raised, and unsustainable and undesirable precedents might be set.
- Is there a process to continue benefits to a terminated employee during the severance period, as per Employment Law?
- Has any employee with a disability given a copy of the Long-Term Disability contractual wording, to properly understand their situation?

PLEASE NOTE: Any references to policy wording are in our words. The actual terms and provisions will be found in the Employee Benefit Plan Insurance Contract.