



SPECTRUM

CONTINUITY PLANNING^{LTD}

Employee Benefit Plan Checklist

- Research various benefit plans until you're confident that the one you've picked compares favorably to what the competition offers and is the best cost/service option for your firm
- Familiarize yourself with benefit process so you can ensure employees know how to use the plan
- Have your HR person advise all employees of the 31-day life change rule
- Initiate a process to regularly advise employees of the 31-day life change rule
- Advise employees on what "life change" means
- Ensure your HR person understands the serious implications of being a "late applicant"
- Aim for 100% employee participation rate
- Check eligibility/requirements for both full-time and part-time employees
- Offer the "top-up" group life or LTD to each employee
- Ensure that employees who decline the top-up LTD or group life coverage "sign-off"
- Check that the insurance company's definition of "income" matches with the way you pay income ("Salary" is not the same as "dividends" or "commissions.")
- If your firm's personnel consists of incorporated professionals, check that the insurance company acknowledges the different ways that person may receive income
- Ensure that there is a process in place to notify the insurance company immediately when an employee's income changes
- Ensure that there is a corporate policy for continuation of benefits for an employee who becomes disabled
- Check that there a process for filing an LTD claim promptly
- Review the plan to see if it includes 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.)
- Ensure a clear documentation for who paid for the Long-Term Disability? (There is different tax treatment at claim time, depending on who paid the premium)
- Create a communications plan to advise employees of any changes to the plan or terms of the plan
- Ensure you thoroughly 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
- Never use the promise of "benefits" as a hiring technique unless you have pre-determined what specific benefits will be available.
- Never 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.)
- Ensure a process to continue benefits to terminated employees during the severance period, as per Employment Law
- Ensure that employees with a disability are given a copy of the Long-Term Disability contractual wording, to properly understand their situation