
THE UNIVERSITY OF BRITISH COLUMBIA



Human Resources
Room 350 - 2075 Wesbrook Mall
Vancouver, BC
Canada V6T 1Z1
<http://www.hr.ubc.ca>

Date: December 15, 2006

To: All employees enrolled in the Management & Professional BC Medical Services Plan through UBC

Cc: HR Advisors & Associates, HR-ER, and Financial Services Representatives

From: Michelle Berner, Director, Human Resources – Total Compensation

Re: Change to MSP Premium Payment Arrangement effective February 1, 2007

It's been five and a half years since we've implemented improvements to your health and welfare benefits as a result of funding received from the provincial government.

In July 2001, we implemented a number of improvements to your extended health, dental, and basic life plans including the premium arrangement for BC Medical Services Plan. Each year since, with the support of our Benefits Consultant, we have been monitoring the annual costs of these improvements to ensure that they fit within the available funding (1.0% of M&P payroll).

THE CURRENT OUTLOOK ON BENEFIT COSTS

Over the years, it has been clear that the cost of benefits has continued to rise. This is due to a number of factors since the improvements to your health and welfare benefits were implemented:

- The provincial government is no longer covering paramedicals (e.g. physiotherapy, massage therapy, chiropractor, naturopaths);
- MSP premiums have increased by 50%;
- The provincial government changed their prescription drug program deductible that is based on income; and
- Prescription drugs costs and benefits usage is increasing.

For these reasons, the funding available no longer adequately covers the costs of the benefit improvements.

THE SOLUTION

Various options have been explored to ensure the costs of these improvements remain financially viable. It has been determined that the best approach to maintaining current benefit levels is to re-implement payment of MSP premiums by employees enrolled in the Management & Professional benefit plans.

Effective February 1, 2007, employees enrolled in the M&P BC Medical Services Group Plan through UBC will pay 100% of the MSP monthly premiums. As premiums are taken one month in advance, the change in premium will be reflected on your January 31st, 2007 pay advice.

The change in costs is outlined in this table:

MSP Monthly Premium	OLD		NEW – Effective February 1, 2007
	25% Employer paid	75% Employee paid	100% Employee Paid
Single	13.50	40.50	54.00
Couple	24.00	72.00	96.00
Family	27.00	81.00	108.00

Because any employer-paid MSP premiums are taxable to you, choosing to re-implement employee payment of premiums will mean a small reduction to your taxable income. For example, based on annual earnings between \$59,000 to \$110,000, and family MSP coverage, your tax may decrease by approximately \$112.00 to 114.00 per year. (Please note that this calculation was based on a basic calculation and may not apply to your own circumstances).

This option ensures that employees enrolled in the Management and Professional benefit plans continue to receive the same level of benefits coverage.

The usage of the benefit plan improvements will continue to be reviewed to ensure that there are sufficient funds to cover these.

If you would like more information on your benefit plans and/or would like to make any changes, please visit our website at: http://www.hr.ubc.ca/benefits/employment_group/mp/.

Thank you.