

THE UNIVERSITY OF BRITISH COLUMBIA



Human Resources
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Date: November 23, 2009

To: **HEADS UP – Vancouver and Okanagan**

From: Natasha Malloff, Manager, Benefits
 Joanne Young, Manager, Payroll

CC: HR Advisory Services, Total Compensation, Payroll

Re: Change to MSP Premium effective January 1, 2010

[FOR INFORMATION]

This memo provides an update on upcoming changes to BC Medical Services Plan (MSP) premiums.

British Columbia's Medical Services Plan (MSP) is the provincial government's medical insurance plan. It pays for medically required services of physicians and surgeons, and for dental and oral surgery, when it is medically required to be performed in a hospital. All residents of BC must enroll in MSP. By law, MSP is mandatory for all eligible residents and their dependents. UBC administers the payment of faculty and staff MSP premiums to the provincial government.

The BC government's budget update of September 1, 2009 included an increase of 6% to the monthly MSP premiums, effective January 1, 2010. Premiums were last increased in 2002, and it is expected that premiums will increase annually, each January 1st.

MSP Premium Increase

MSP premiums will be increased by \$3 per month for individuals and \$6 per month for couples and families. The difference between the current and new monthly premiums is outlined in the following table:

	Current	Effective January 1, 2010
Single	\$54 (\$648 annually)	\$57 (\$684 annually)
Couple	\$96 (\$1,152 annually)	\$102 (\$1,224 annually)
Family	\$108 (\$1,296 annually)	\$114 (\$1,368 annually)

What does this mean for Faculty/Staff who are enrolled under the UBC Group MSP?

[a] Members who pay 100% of their MSP premium

The increase in the MSP premium will appear on the December 31, 2009 pay statement because premiums are taken one month in advance. Members on a leave of absence who are continuing to maintain their benefits will see an increase in their billing.

[b] Members for which UBC pays 100% of the MSP premium

The member's taxable benefit (box 40 of their T4 slip) will be higher as a result of the premium increase.

[c] Members for which UBC pays a portion of the MSP premiums and the member pays a portion

The increase in the MSP premium will appear on the December 31, 2009 pay statement for the portion of the premium that the member pays (premiums are taken one month in advance).

In addition, the premium increase will result in an increase to the member's taxable benefit (box 40 of their T4 slip) for the portion of the MSP premium that UBC pays.

Faculty and staff enrolled under the UBC Group MSP should check the terms of their specific employment group to understand the direct impact of these changes on them, as the cost sharing arrangement for MSP (i.e., the portion paid by UBC and the portion paid by the faculty/staff member) varies across employment groups. Visit our website at: http://www.hr.ubc.ca/benefits/employment_group/.

Changes to MSP Premium Assistance

Changes are also being made by the BC provincial government to the MSP Premium Assistance Program.

Effective January 1, 2010, the government will increase the annual income thresholds for premium assistance by \$2,000, allowing more individuals to qualify.

MSP premiums will be less for those with income of \$30,000 or less.

No MSP premiums will be required if income is \$22,000 or less.

BC residents who qualify for premium assistance may receive a subsidy ranging from 20 – 100%.

UBC is not able to administer premium assistance payments through the payroll system on behalf of those employees who may qualify for this subsidy from MSP.

Additional Information

Additional information about the government's changes to MSP premiums as well as changes to premium assistance may be obtained from the Ministry of Health's website at the following location: www.health.gov.bc.ca/msp/.

Additional information about UBC benefit plans may be obtained from the Human Resources web site (http://www.hr.ubc.ca/benefits/employment_group/), or by contacting Stephanie Mah at stephanie.mah@ubc.ca or 604-822-6823.

Please share this information with faculty and staff in your area, as a supplement to information provided through our employee newsletter, Benefits FYI (see website: http://www.hr.ubc.ca/files/pdf/benefits/BenefitsFYI_fall09.pdf).

Thank you.