

How Flexible Benefits Work

Your Benefits Choices	There are several different benefits in the Flexible Benefits Plan. Most benefits give you several choices.	Some options offer you minimal coverage, some offer you enhanced coverage – it is up to you to choose the coverage that is right for you.
Select Your Benefits	You choose one option for each benefit. You may also choose family or single coverage.	Eligible dependents include your spouse and child(ren). Your benefit choices are effective from Dec. 1 to Nov. 30 th each year.
Your Annual Flex Dollars	CAPREIT will provide you with flex dollars to buy benefits.	The actual number of dollars you receive will provide CAPREIT’s “Core Coverage”.
Paying for Your benefits	Each option has an annual price tag. Once you have made all your benefit choices, the total price tag cost will be calculated. If the total cost is less than your annual flex dollars, you can deposit your leftover annual flex dollars into your Health Care Spending Account. If the total cost is more than your annual flex dollars, you will pay the difference through payroll deductions.	Through the Flexible Benefits enrollment process you can spend your annual flex dollars in the most tax-effective manner possible.
Enrolling	At work: Proceed to the CAPREIT intranet page and look for the Flexible Benefits link. From home: http://www.websinc.ca/capreit	The on-line enrollment tool is a step by step, easy to follow program.
Questions?	For questions regarding benefit coverage contact Sonia Couto at 416-306 - 3000 or e-mail her at benefits@capreit.net . For enrollment assistance contact Leigh-Anne at 1-866-997-WEBS(9327)	Assistance will be available from Monday to Friday, 9:00 a.m. to 5.00 p.m. EST.
Each Year	You may change your choices each year during the annual Flexible Benefits enrollment, or any time you have a family status change.	As your needs change, you can change your benefits.

Terms and Concepts You Need to Know

As you read about your Flexible Benefits, here are some important terms and concepts that we use throughout this enrollment guide:

Annual Flex Dollars	Annual flex dollars are what CAPREIT provides you to spend on your Flexible Benefits each year. You receive annual flex dollars that will pay for your “Core Coverage”.
Core Coverage	Your core coverage will be similar to what you enjoyed through the old traditional group insurance plan.
Price Tag	<p>Each option has an annual cost or a <i>price tag</i> which will be shown to you in the enrollment process. Depending on the benefit, the cost of each option varies according to factors such as:</p> <ul style="list-style-type: none"> • The level of coverage • Whether single or family coverage is chosen (health & dental) • Amount of your salary (volume of insurance for Life, Long-Term Disability and Accidental Death & Dismemberment) • Smoker, age and gender status (for spousal and employee Optional Life) <p>Your price tags are fixed throughout the year and do not change as a result of changes in your age or your base salary. You can review your annual price tags through the on-line enrollment process.</p>
Beneficiaries	You are responsible for ensuring that your beneficiary designation for your Life and AD&D benefits is complete and accurate. If you name multiple individuals as beneficiaries, please indicate a percentage of how each benefit should be allocated. If any of your beneficiaries are under the age of majority, a Trustee must be appointed except in the Province of Quebec.
Co-ordination of Benefits	<p>If you are covered for extended health and/or dental benefits under your spouse’s group plan, your benefits under this plan will be co-ordinated with the other plan so that you may be reimbursed up to 100% of the eligible expense incurred. Claims must be submitted to the primary payor first. Any unpaid balances should then be submitted to the secondary plan. The following are guidelines to identify the primary and secondary plans:</p> <ol style="list-style-type: none"> 1. Great-West Life (GWL) Plan Member (under CAPREIT) <ul style="list-style-type: none"> • GWL coverage for you is always primary 2. Spouse <ul style="list-style-type: none"> • If your spouse is a plan member under another benefit plan, this GWL coverage is always secondary for your spouse. Your spouse must first submit claims to his/her benefit plan. 3. Children <ul style="list-style-type: none"> • When dependent children are covered under both your GWL Life plan and your spouse’s benefit plan, use the following order to determine where to submit the claims:

	<ul style="list-style-type: none"> i. The plan of the parent whose birth date (month and day) occurs earliest in the calendar year. ii. In cases of separation or divorce with multiple benefit plans for the children, the following order applies: <ul style="list-style-type: none"> a. The benefit plan of the parent who has custody of the dependent child b. The benefit plan of the spouse of the parent who has custody of the dependent child c. The benefit plan of the parent who does not have custody of the dependent child d. The benefit plan of the spouse of the parent who does not have custody of the dependent child • If the parents have joint custody and both have the children listed as dependents under their plans, claims should first be submitted to the plan of the parent whose birth date (month and day) occurs earliest in the calendar year. Balances can then be submitted to the other parent’s plan.
<p>Eligibility</p>	<p>To be eligible for these benefits, you must be a resident of Canada and meet the following conditions:</p> <ul style="list-style-type: none"> • You are a permanent employee • You are actively working for CAPREIT at least 24 hours per week • You have completed 3 months of continuous employment (waiting period)
<p>Evidence of Insurability</p>	<p><u>Basic Life</u> Proof of good health is required if the option you select results in Life Insurance coverage greater than \$600,000. If you are re-enrolling, and you have coverage greater than \$600,000, proof of good health will be required if your income increases by greater than 10% or you select an option that increases your current coverage by greater than 10%.</p> <p><u>Long-Term Disability</u> No requirement for proof of good health.</p> <p><u>Optional Life</u> Proof of good health is required for any amount of optional life coverage for you and/or your spouse. If re-enrolling, any increase in coverage requires proof of good health.</p>
<p>HealthCare Spending Account (HCSA)</p>	<p>Your HCSA works like an expense account. Your HCSA allows you to use flex dollars to cover eligible health and dental expenses (items like deductibles, co-insurance, vision care and expenses above plan maximums) that the health and dental options and provincial health insurance do not cover. The HCSA can cover eligible expenses for you and your dependents. Directed credits will be allocated to your HCSA in a lump sum on December 1st after the completions of the plan year. You will be able to submit all of your HCSA claims to GWL at the end of the plan year during the 60 day period December 1st to January 31st.</p>

	<p>When you submit an HCSA claim, either for yourself or for a dependent, you will be reimbursed for eligible expenses, up to the balance in your account. If a claim exceeds your account balance, the claim will be paid up to the amount in your account and returned to you.</p> <p>Credits can only be used to provide reimbursement for eligible medical expenses under the Canadian Income Tax Act (http://www.cra-arc.gc.ca/E/pub/tp/it519r2-consolid/it519r2-consolid-e.html)</p>
“Use It or Lose It”	<p>Your flex plan is an expense carry forward plan, which means you may submit claims you incurred in the previous or current year under a HCSA that you have elected this year. If you choose an HCSA, but do not spend it all, you will not receive the balance as a refund. Consequently, you must use the value of the option you have chosen or lose the balance.</p> <p>You need to consider that there is the “use it or lose it” principle that applies to each plan year. This means that if you choose HCSA for \$100 the expense account terminates at the end of the plan year, EVEN IF YOU HAVE CLAIMED LESS than the \$100 i.e., “use it or lose it”. It is sensible to limit your selection to an amount that you are sure to use.</p>
Life Status Changes	<p>You must remember to change your benefits and coverage within 31 days of a “life status change”. A life status change is when you have a change in your marriage or common-law union; divorce; separation or death of a spouse; birth; death; adoption or change in custody of a child; loss of benefit coverage from a spouse’s employer.</p>
Tax Talk	<p>CAPREIT is providing flex dollars to purchase the “Core Coverage”. Company-provided annual flex dollars used to pay for Health, Dental, AD&D, LTD and Health Care Spending Account are not subject to taxes. However, in Quebec, flex dollars are subject to provincial income taxes with the exception of Long Term Disability.</p> <p>Life insurance paid with flex dollars is considered company paid and therefore is considered a taxable benefit.</p>
Life and Long-Term Disability Benefits	<p>Your Life benefits and your Long Term Disability benefits are mandatory coverage. This means that you are not entitled to opt out of these benefits.</p>
Health & Dental Benefits	<p>You may opt out of the health and dental benefits, as long as you are able to provide proof that you are covered for these benefits under your spouse’s plan.</p>