

Retiree Extended Health Care Extra Plan Notice of Rate Increase Effective July 1, 2017

You are receiving this notice because you are enrolled in the BC Hydro retiree “Extra” extended health plan.

Effective July 1, 2017 the “Extra” extended health plan premium will increase by approximately 7%:

	Current Premium		Premium Effective July 1, 2017	
	Monthly	Annual	Monthly	Annual
Single	\$41.25	\$495	\$44.00	\$528
Couple	\$76.00	\$912	\$81.25	\$975
Family	\$110.25	\$1323	\$118.00	\$1416

Pensioners covered by the “Extra” plan have the option of changing to the “Basic” plan. However, once the “Extra” package is cancelled, the decision cannot be reversed.

NOTE: If this premium is paid by automatic deduction from your monthly pension, the new amount will be automatically deducted from the July pension payment.

“Basic” vs. “Extra” Plan

BC Hydro pays the full cost of the “Basic” plan from its operating budget. Extended health benefits are **not** funded through the BC Hydro Pension Plan. The cost of providing the “Extra” plan is reviewed annually. BC Hydro does not subsidize the additional cost.

Pensioners covered by the “Extra” plan pay a monthly premium reflecting the cost to BC Hydro of providing the additional coverage. The calculation of the premium includes the difference in the annual deductible (\$0 versus \$25), the level of reimbursement (100% versus 80%) and the cost of a higher lifetime maximum (\$500,000 versus \$25,000).

	Basic Plan	Extra Plan
Cost to Pensioner	\$0	Monthly Premiums
Annual Deductible (does not apply to prescriptions)	\$25 per family	\$0
Prescription Deductible	\$5 per prescription	\$5 per prescription
Reimbursement of eligible expenses after deductible	80% (pensioner pays 20%)	100%
Lifetime Maximum	\$25,000	\$500,000
Additional Out Of Country Coverage	\$0	\$500,000

The most important difference is the lifetime maximum (\$500,000 versus \$25,000).

The higher lifetime maximum provides you with greater financial protection as health care costs continue to shift from the public to the private (extended health) system. Once a pensioner reaches the lifetime maximum, the only extended health coverage available is through the purchase of an individual plan.

Why is the Premium Increasing?

The prescription drugs covered by the extended health plan continue to be the fastest growing benefit expense. The cost of providing the “Basic” versus the “Extra” plan increases as the cost of claims, including high cost prescription drugs, increases.

Paying the Premium

If this premium is paid by automatic deduction from your monthly pension, the new amount will be deducted from the July payment.

The “Extra” extended health plan premiums may be claimed as a medical expense on line 330 of your personal income tax return. The total premiums paid for the 2017 tax year will appear on your T4A statement issued by RBC Investor & Treasury Services in February 2018.

Changing from “Extra” to Basic”

If you wish to change to the “Basic” plan, please notify the BC Hydro Retiree Benefits Department **in writing**:

BC Hydro Retiree Benefits
Central Park Place
14th Floor – 4555 Kingsway
Burnaby, BC
V5H 4T8

If you have questions about your retiree benefit coverage, please contact Retiree Benefits at:

604-694-8600 or 1-800-663-1339 (toll free in BC)