



Retiree pension and benefits newsletter

June 2021

2020 Annual Pension Statement

Annual pension statements as at December 31, 2020 will be mailed to pensioners by June 29, 2021. The statement provides general information about the Plan's financial position and administration. You'll also notice some changes to this year's annual statement. If you're a pensioner, your statement now includes information about the pension election you made as well as your spousal and pension beneficiary designation. If you're a surviving spouse receiving pension payments, your statement now includes clearer details about indexing eligibility.

If you need to update your spouse or beneficiary information, please contact the BC Hydro Benefits and Pension Centre (see contact information on page 4).

What's inside?

- The Pension Plan's financial health
- Retiree benefits & Extra Plan premium update
- Sun Life updates
- Contact information

Health & Wellness—3 Strategies to Build your Resilience*

The past year and a half has been unlike any other in recent history. COVID-19 has challenged all of us in different ways and our resilience has been put to the test. Here are three strategies to build your resilience:

1. TAKE CARE OF YOUR BODY—EAT WELL, SLEEP MORE, AND EXERCISE OFTEN

Healthy eating is a key part of aging well. Canada's latest Food Guide¹ recommends eating plenty of vegetables and fruits, whole grain foods, and protein foods. Choose plant-based protein foods more often. To stay hydrated, drink water throughout the day and with each meal and snack.

Senior adults should be sleeping 7–8 hours per night². To help improve your sleep, try avoiding alcohol, caffeine and nicotine before bed, maintain a regular sleep schedule, practice relaxation techniques, reduce noise in the sleeping environment, review medications with your physician/pharmacist regularly.

Adults aged 65 years or older should be physically active each day. Canadian guidelines recommend moderate to vigorous aerobic physical activities of at least 150 minutes/week, muscle strengthening activities at least twice/week, physical activities that challenge balance, and several hours of light physical activities.

Maintaining your physical health will help build your resilience by minimizing the impact of stress, lowering the risk of injuries, and reducing the likelihood of chronic health conditions.

2. PRIORITIZE RELATIONSHIPS

Spending time with others is essential to our emotional and mental well-being. The pandemic has created significant barriers for socializing, however, as more and more of us become vaccinated, we will see in-person social gatherings start to return. Until then, stay connected with family and friends, through online platforms like Zoom, Houseparty, or on social media.

3. KEEP ON LEARNING

Resilience is the ability to learn, grow and emerge stronger after having faced difficulties. Maintaining cognitive health is important to help us get through this pandemic and thrive once it's over. Being intellectually engaged will help maintain brain cells and stimulate communication among them. Pursuing a hobby, reading, learning new skills, taking online courses, volunteering or mentoring are ways to keep your mind sharp and active. Participating in the arts (music, theater, dance, creative writing) has also shown promise for improving quality of life and well-being.

*[apa.org/topics/resilience](https://www.apa.org/topics/resilience)

¹ [food-guide.canada.ca](https://www.food-guide.canada.ca)

² [canada.ca/en/services/health/publications](https://www.canada.ca/en/services/health/publications)

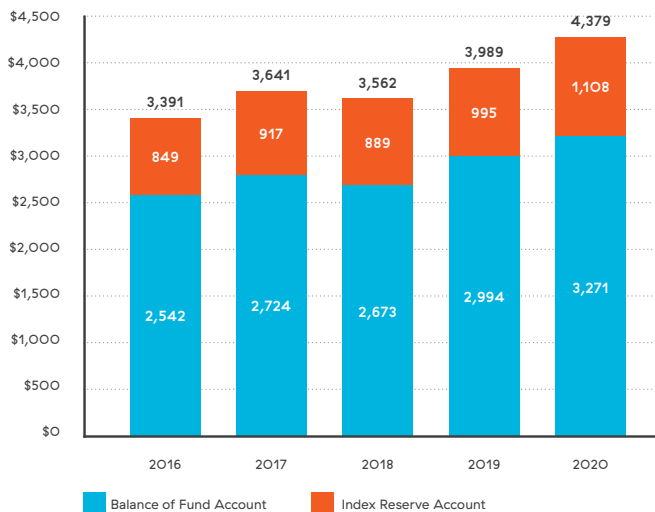
The Pension Plan’s financial health

On an ongoing basis, we review the pension plan’s financial health to ensure the plan remains financially sound. This includes an actuarial valuation every three years and regular reviews of plan assets and liabilities.

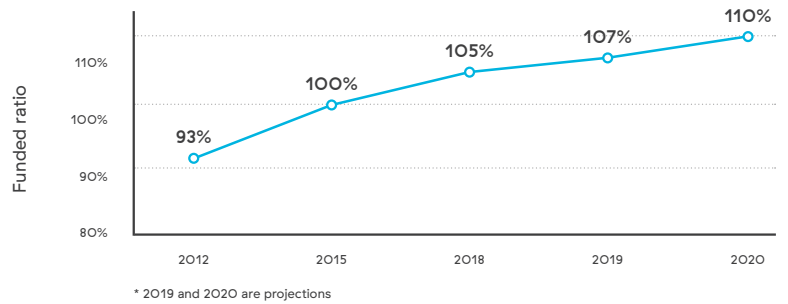
ACTUARIAL VALUATION COMING NEXT YEAR

The valuation is a legislative requirement and determines whether the plan has sufficient funds available to meet its pension obligations for all active, inactive, and retired plan members, and the contribution rates needed to ensure the long-term funding of the plan. The next valuation will be completed as at December 31, 2021.

Market value of assets
(Shown \$ in millions) at December 31



Funded Ratio—Basic Benefits
At December 31



The graph above shows the total market value of plan assets over the last five years. Fluctuations in the fund are normal and do not have significant long-term impacts on the fund.

When we compare the plan’s assets and liabilities, we determine the plan’s “funded ratio”. The graph above shows the going concern funded ratio of the BC Hydro pension plan over the past three actuarial valuations and estimates for 2019 and 2020 based on projections of the December 31, 2018 valuation. This ratio will change over time based on plan experience in areas such as membership, earnings, how long members and retirees live, investment performance, and economic conditions.

Did you know?

Indexing, also known as cost of living adjustments (COLA), is a benefit that increases retirees’ pension benefits to help account for the rising cost of living over time. These increases are paid out of the Index Reserve Account, up to a sustainability cap.

Power Pioneers

Join the Power Pioneers and stay connected online with eNewsletters and Zoom events, pension and benefit reminders, Gluu digital security talks, EV car and other workshops and fun Rambles around the world. You can participate in projects and fundraising for BC Children’s Hospital and the new Branch Volunteer Hour project that supports local communities during these difficult times. The Power Pioneers are also planning for more normal times ahead including many local Branch activities and the next Provincial Jamboree at Harrison Hot Springs, September 27, 28 and 29, 2022.

Visit powerpioneers.com today and look for the Join Us link on the homepage to get your membership, Jamboree details and full access to everything available online.

For more information call Lorilee Koltai at **604 623 3768** or lorilee.koltai@bchydro.com.

Key facts about the Pension Plan

	At December 31, 2019	At December 31, 2020
Total active plan membership	7,281	7,348
Total number of pensioners	5,769	5,778
Total assets in the Plan	\$4.0 billion	\$4.4 billion
BC Hydro contributions	\$47.5 million	\$49.0 million
Employee contributions	\$43.1 million	\$45.5 million

Retiree extended health care— Extra plan premium rate increase effective July 1, 2021

If you were eligible for retiree benefits at retirement, you had the option of choosing between the extended health care (EHC) Basic Plan and Extra Plan. Members of the Extra Plan pay a monthly premium and receive additional coverage over the Basic Plan.

For all eligible members, regardless of whether you're in the Basic Plan or Extra Plan, BC Hydro pays the cost of EHC claims, up to \$25,000. The cost of claims in excess of \$25,000 under the Extra Plan is paid for by the members of the Extra Plan. Every year, BC Hydro's benefit consultants review the claims experience and inflationary increases to determine the cost of the Extra Plan.

What are the July 1, 2021 rates?

We've reviewed the cost of the additional coverage under the Extra Plan over the Basic Plan and have determined that an increase of 1.2% is required for the Extra Plan premium effective July 1, 2021. The new monthly and annual premium rates are summarized in the table to the right.

	Current		July 1, 2021	
	Monthly	Annual	Monthly	Annual
Single	\$71.50	\$858	\$72.25	\$867
Couple	\$131.75	\$1,581	\$133.25	\$1,599
Family	\$191.50	\$2,298	\$193.75	\$2,325

Note that this increase is less than previously anticipated due to the lower utilization of EHC benefits during the past year as a result of the pandemic. The largest cost component of the EHC plan is prescription drugs, which makes up approximately 80% of the total EHC costs. Prescription drug costs continue to rise due to inflation and advancements of high-cost prescription drugs. However, there was a decrease in out-of-country claims due to travel restrictions as well as a decrease in paramedical claims due to reduced availability of services. The lower out-of-country claims are also expected to continue for part of the upcoming year. This has resulted in a lower than anticipated overall increase to the Extra Plan rates.

The projected percentage of claims over the \$25,000 threshold and projected Extra Plan premium rate adjustments provided by our benefit consultants as shown in the table, continue to be reasonable in future years. The percentage of members who exceed the \$25,000 lifetime maximum is projected to continue to increase (as shown in the 2nd column) and therefore the Extra Plan premiums are also expected to increase (as shown in the 3rd column). These projections are provided for planning purposes only. Annual adjustments will be based on the analysis of claim costs over \$25,000.

Years	Projected % of claims over \$25K threshold	Projected Extra Plan premium rate adjustment
2022 to 2023	45% to 65%	10% to 18% per year
2024 to 2028	65% to 80%	6% to 10% per year

Did you know?

You can claim the premiums paid for the Extra Plan as a medical expense on line 330 of your personal income tax return. The total premiums paid for 2021 will appear on your 2021 T4A statement.

You have the option of changing from the Extra Plan to the Basic Plan at any time. Once the Extra Plan is cancelled, the decision can't be reversed. Contact the BC Hydro Retiree Benefits Department to request the change form.

Drug plan costs

There are many external factors that have an impact on the overall cost of the drug plan that we can't control. However, as health consumers, we can all do our part to help sustain these costs. Consider the following,

- Use generic drugs instead of the brand name
- Get your prescriptions from pharmacies with lower dispensing fees
- Make sure you're registered for Fair PharmaCare so that the provincial PharmaCare plan covers eligible drugs after you reach your deductible under the PharmaCare plan
- Use Sun Life's Preferred Pharmacy Network for specialty drugs (mysunlife.ca/sunlifepharmacynetwork)
- Consider biosimilar drugs rather than biologic drugs, if appropriate
- Take care of your health and wellness by leading a healthy lifestyle

Sun Life Updates

Submitting claims to Sun Life

Submit your eligible extended health or dental spending account claims to Sun Life online or by mail.

ONLINE

Sign in to **mysunlife.ca** or use the my Sun Life Mobile app and select “Submit a claim”. Easy-to-use screens guide you through a series of steps. Keep your original receipts for 12 months as Sun Life may ask you for original receipts.

Two-step verification on mysunlife.ca

Sun Life has introduced another layer of security to verify your identity after you log onto your mysunlife.ca account to help prevent someone else from getting into your account. Sun Life will verify your identity with a text or phone call when they consider it necessary.

HOW IT WORKS

- You'll start by adding one or more phone numbers when prompted to do so on the mysunlife.ca website.
- You can choose to have the security code sent by text message or phone call.
- To confirm your identity, you might be asked for a one-time security code during sign-in.
- You can elect to have this step included every time you sign in or only when Sun Life requests it.
- Never give anyone else your security code.

More information, including a FAQ section, can be found at sunlife.ca/en/support/two-step-verification/

BY MAIL

Complete the Retiree Extended Health Claim Form or Dental Health Spending Account Claim Form and mail it along with your original receipt(s) to Sun Life. You can find the claim form online at **mysunlife.ca** or request one by calling Sun Life.

Life insurance beneficiary

You can now update your life insurance beneficiary on your mysunlife.ca account. If you previously completed a beneficiary designation form with BC Hydro, this information won't be displayed on your mysunlife.ca account, but we'll keep these records on file. However, we encourage you to take advantage of the online beneficiary designation feature so you can view and update your beneficiary information at any time. The most recent beneficiary information on file with either Sun Life or BC Hydro will be used in the event of a life insurance claim.

Morneau Shepell is now LifeWorks

Morneau Shepell, our third-party pension administrator, has changed their name to LifeWorks. There are no changes to the services provided through the BC Hydro Benefits & Pension Centre or the contact information.

Contact information

- Report the death of a BC Hydro pensioner or spouse
- General information about the pension plan
- Submit or change a Power of Attorney

BC Hydro Benefits and Pension Centre

1 888 353 9123 (Mon–Fri 7 a.m. to 4 p.m.)

Employee.Benefits@bchydro.com

- Change of address or banking information
- Information about pension payments or adjust tax deductions
- Questions about your T4A

RBC Investor Services

1 800 668 1320 (Mon–Fri 5 a.m. to 5 p.m.)

benefpay@rbc.com

- Questions about your coverage under the Retiree Extended Health plan
- Questions about your dental HSA claim
- Information on emergency medical travel coverage

Sun Life

1 800 361 6212 (Mon–Fri 5 a.m. to 5 p.m.)

mysunlife.ca Policy 150533

- Out-of-country or out-of-province emergency travel assistance under the Extended Health Care plan (phone numbers are also listed on the back of your Sun Life card)

Allianz Global Assistance

1 800 511 4610 (from US and Canada)

1 519 514 0351 (from anywhere else)

- General information about retiree benefits
- Making changes to your Extended Health Care coverage

BC Hydro (Retiree Line)

604 694 8600 or 1 800 663 1339

Pension.RetireeBenefits@bchydro.com