

Balance

The Group Health Forum

SUMMER 2009

Did You Know...

Fore! is a warning shout in golf when a wildly struck ball threatens person(s) ahead – misunderstood by many to be “four”, the word is certainly “fore”, which logically stems from the Middle English meaning of fore as “ahead” or “front”, as in forearm, forerunner, foreman, foremost, etc., or more particularly “too far forward” in the case of an overhit ball. Sources suggest the golf term was in use by the late 1870’s. The use of the “fore” prefix in the context of a warning or pre-emptive action was established long ago in similar senses: forewarn, foretell, foreshadow, forestall, and foresee, etc., (foresee actually dates back to the 1200’s).



Temporary Resident Coverage

As a result of market globalization, a growing number of employers are hiring foreign nationals to fill specific business needs. This involves a complex hiring process that poses certain challenges, such as ensuring group insurance coverage for the newly hired employee.

Since most provincial health insurance plans require that foreign nationals satisfy a waiting period before offering them coverage, employers must find a way to cover them during this period.

To make things easier, for several years now, insurance companies have been offering insurance coverage in place of the provincial plan during the waiting period. This temporary resident coverage is for employees who must satisfy the provincial health insurance plan waiting period, such as:

Foreign nationals who have come to Canada to work; Canadians who were working abroad and who did not maintain their provincial plan coverage.

Coverage offered:

An insurance product designed to cover the period between the time a new employee contacts the provincial health insurance plan to enroll for coverage, and the date of eligibility confirmed under this plan. The following parameters apply:

The coverage applies when employees are hired and may include their dependents, if required; Eligible expenses are those covered under the provincial health insurance plan of the employee’s province of residence, for example, fees for consulting a physician, surgical or hospitalization expenses (ward); Eligible expenses are covered up to the amounts that would have been reimbursed under the provincial plan, subject to an overall maximum of \$100,000 per insured person. Certain exclusions apply, such as the pre-existing conditions exclusion.

Employees must always contact the appropriate provincial plan ahead of time to confirm the effective date of their coverage. In certain cases, there may not be a waiting period as the result of agreements between the province and other countries.

In other cases, employees may not be eligible for provincial coverage and will therefore not be entitled to temporary resident coverage. On the other hand, they may be eligible for Extended Health Care coverage under their employer’s group insurance.

Temporary resident coverage is of limited duration and applies only to the waiting period following the employee’s enrolment in the provincial health insurance plan.

Quarterly Quote

A vision is like a lighthouse which illuminates rather than limits, gives direction rather than destination. Almost all successful individuals and organizations have one thing in common: the power and depth of their vision. A positive, meaningful vision of the future supported by compelling goals provides purpose and direction in the present.

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What is a Tax-Free Savings Account?

Starting in 2009, Canadians aged 18 and older can put aside up to \$5,000 every year in a TFSA.

Contributions to a TFSA will not be deductible for income tax purposes but investment income, including capital gains, earned in a TFSA will not be taxed, even when withdrawn.

Unused TFSA contribution room can be carried forward to future years.

You can withdraw funds from the TFSA at any time for any purpose.

The amount withdrawn can be put back in the TFSA at a later date without reducing your contribution room.

Neither income earned in a TFSA nor withdrawals will affect your eligibility for federal income-tested benefits and credits.

Contributions to a spouse's TFSA will be allowed and TFSA assets can be transferred to a spouse upon death.

The new TFSA as a Work Benefit

An ING Direct survey finds that more than three-quarters of Canadians don't know what a TFSA is, or only have limited knowledge of it. Of those with some or full understanding of the product, less than 70% know about the \$5,000 annual tax-free maximum and that funds are not taxed even when withdrawn. While the new tax-free savings account (TFSA) was well-received by the financial industry, the majority of Canadians have no idea what it is, according to the survey.



WSIB Claims Management – The New Regulations

Many employers have used third party consultants to assist them with WSIB claims and appeals for years. Recently, new regulations in Ontario have come into place that require most consultants to be licensed Paralegals to act on behalf of employers before the WSIB. As a result, a number of consultants have exited the industry, leaving many employers scrambling to find alternative providers. Baicorp Financial has teamed up with CompCall, a national provider of WCB services to employers, to offer our clients access to these services. CompCall has taken the necessary steps to remain compliant under the new regulations.

To find out more, please contact us.

