**Date:** October 4, 2023

**To:** All MoveUP Members at BC Transit, CMBC and Translink,

**Re:** Income Continuance Plan

As most of you know, your Income Continuance (IC) Plan is provided through the COPE 378 Health Benefit Trust and is funded through contributions from members. This allows for any claims paid to be non-taxable, meaning a higher net income replacement for our members who are on disability. With that in mind, we strive to be open and transparent regarding the financial position of the IC Plan.

The IC Plan’s external actuaries conduct an annual review and recommend a contribution rate. The last time the rate changed was in 2018, which decreased from 3.25% to 2.75% of salary. The rate has not increased since 2013. However, the COVID-19 pandemic, along with the current economic environment, has increased the overall cost of the IC Plan in recent years. There has been a rise in the rate of members going on a claim, and a larger proportion of claims are related to mental health, which are longer in duration on average. This challenge is not unique to the IC Plan but is a general trend among all disability plans across Canada

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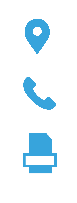
Based on the most recent annual review, the actuaries recommended that the Trustees increase the contribution rate from 2.75% to 3.50% of salary. The experience has worsened since last year’s review; therefore, the proposed increase is more significant than last year’s recommendation. The IC Plan’s financial status will continue to be monitored, and while there are sufficient funds to continue to pay claims for all currently open disability cases, an increase in contribution rate is required to sufficiently cover the cost of new disability claims. However, given the economic pressures and uncertainties resulting from the pandemic, the Trustees felt that the full increase would not be practical.  **As a result of this~~,~~ the contribution rate will increase from 2.75% to 3.25% of salary effective November 1, 2023.** We have provided several examples below of the impact of the monthly change in contributions to your payroll deduction:

|  |  |  |  |
| --- | --- | --- | --- |
| Annual Earnings | Current Monthly IC Payroll Deduction | New Monthly IC Payroll Deduction as of November 1, 2023 | Difference per Monthly Deduction |
| $50,000 | $114.58 | $135.42 | $20.84 |
| $65,000 | $148.96 | $176.04 | $27.08 |
| $80,000 | $183.33 | $216.67 | $33.34 |

The IC Plan is here to provide financial support for members navigating difficult times, and we are working with Desjardins Financials, who administers the claims, to help individuals return to work. If you have any questions, please contact the Plan Administrator Yasmin Carroll at [ycarroll@moveuptogether.ca](mailto:ycarroll@moveuptogether.ca)

**CANADIAN OFFICE & PROFESSIONAL EMPLOYEES LOCAL 378**

**HEALTH BENEFIT TRUST**



**4501 Kingsway #301, Burnaby, BC V5H 0E5**

**Ph 604-299-0378**

**Fax 604-299-8211**