

May 17, 2011

Update on HBT Exit Levy

The exit levy is in place at HBT to protect the financial interests of the beneficiaries of LTD benefits. Collection of an exit levy, from terminating members or members who make significant changes to their employee base, ensures the continuation of payments to eligible beneficiaries of the Trust, and ensures that financial obligations are not burdened on active members. While many of the members who have left the Trust have paid their exit levy, others have not. In these cases, HBT had to take legal action to collect on outstanding or future exit levies, while concurrently working with government on alternate solutions. Below is an update on the latter.

At the request of the Ministry of Health and Ministry of Social Development in late January 2011, Healthcare Benefit Trust (HBT) agreed to delay the requirement for delinquent employers who had been formally served with demands for payment to file a Statement of Defense until March 15, 2011. HBT agreed to delay this date further, until May 16th, 2011, in order to allow the Ministries additional time to deliberate on an alternate solution to the unfunded liability carried by both Community Social Services Agencies (CSSEA) and Independent Health Service Providers (Affiliates).

On May 4, 2011, HBT received a letter from the Ministry of Social Development requesting an extension beyond May 16th, 2011, as deliberations on alternate solutions require additional time. This letter was also sent to the Ministry of Health, the Ministry of Finance and the Ministry of Children and Family Development. HBT is very appreciative of the interest from all parties involved in resolving this issue and the efforts which have brought the matter forward to an imminent solution.

After consultation with HBT Trustees, HBT is agreeable to extending the period of time for delinquent CSSEA agencies to file statements of defense in response to the Trust's statements of claim. At the request of the Ministry of Health Services, HBT has extended the same courtesy to delinquent Affiliates. HBT will issue communications to all employers who have been served with a statement of claim, advising that responses to the civil claim will not be required until further notice.

Are You Changing Your Business/Workforce?

If you are making changes such as:

- » reducing the number of employees who have benefits coverage through HBT
- » contracting out services
- » selling your business

Please be sure to call us. We will work proactively with you to determine if your proposed changes may trigger an exit levy.

Do you have current information regarding your exit levy?

Exit levy calculations can change every 6 months. As the performance of the Trust has been consistently improving, many of the calculations are reducing. Please request a new exit levy calculation from HBT, to ensure that you have the most current information available to you.

Contact us

Contact us if you are thinking of making changes or would like to request an updated exit levy calculation.

Sarah Hoffman
Chief Financial Officer
604.678.8519
1.888.736.2087

Tony Green
Controller
604.678.8928
1.888.736.2087

HEALTHCARE BENEFIT TRUST

Please ensure that this communication is distributed to the appropriate people within your organization.