

March 27, 2024

## Administering Unpaid Leave of Absence (LOA)

The purpose of this eflash is to provide you with information on the existing administrative practice when employees commence an unpaid leave of absence.

Employees commencing an unpaid leave of absence may continue or discontinue their benefit coverage while on leave. Below are steps when administering unpaid LOA for employees.

1. **Determine the type of unpaid leave.** This helps identify the benefits to continue and payment of contributions.
  - a. Regular unpaid leave
  - b. Employment Standards Act Leave (e.g. Maternity (excluding SEB plan), parental, adoption, compassionate care leave)

\*\*\*\*If the employee is on Employment Standards Act Leave, proceed to step 6.
2. **Identify the date when employer-paid benefits end.** For regular unpaid leave, the employee is required to self-pay contributions beyond any period of employer-paid benefits.
3. **Advise the employee on the benefits they can continue or discontinue.** Options vary depending on the type of plan or collective agreement. Please check page 24-25 of the HBT Administration Guide for the available benefits and guidelines.
4. **Discuss when they are allowed to change an election.** It is important to advise the employee of the outcome should they opt out of benefits while on leave, or continue coverage and subsequently cancel coverage, as well as the impact of not paying contributions. **It is important to note that when an employee elects to cancel their coverage, they can only reinstate coverage when they return to work.** There are specific conditions to be met to change an election. For details, please refer to page 27 of the HBT Administration Guide.
5. **Have the employee sign a benefits election form.** It is highly recommended to have the employee complete a benefits election form at the time the unpaid LOA commences. The form reflects information on the benefits they elect to continue, the dates benefits are in effect, payment obligations, and information on the consequences should they opt out of benefits or cease paying contributions. This form is to be kept in the employee's personnel file.
6. **Collect and remit contributions.**
  - a. Regular unpaid leave – Employee is responsible for paying 100% of contributions and must pay the employer in advance.
  - b. Employment Standards Act leave
    - i. Healthcare Employers (CERS STP Contributions Reporting) – no contributions are payable by the employee or employer.
    - ii. CSSEA and Permitted Employers (PBC Billing) – The employer pays the contributions for all benefits.

For detailed information, you may refer to the HBT Administration Guide version 5.0 July 2023 as follows:

- Benefits on Unpaid LOA (pages 24-27)

- Appendix 1: Unpaid Leave of Absence Election (pages 57-59)

*Please forward this communication to all departments within your organization that may require and rely on this information.*

### **Questions**

If you have any questions, please contact the HBT Benefits Team at (604) 736-2087 or [BenefitsTeam@hbt.ca](mailto:BenefitsTeam@hbt.ca).