

April 21, 2021

**TO: ALL AIR CANADA RETIREES AND SURVIVING SPOUSES
PARTICIPATING IN THE VOLUNTARY SUPPLEMENTARY HEALTH PLAN**

It is our hope that this letter finds you all doing well and staying safe as we navigate the COVID-19 pandemic.

As the Air Canada Benefits team has done almost every year since inception of the Voluntary Supplementary Health Plan (VSHP) we are writing to you to provide a financial update of the Plan. Before moving onto those updates, please note the following personnel changes in our department:

- **Annie Brunelle**, in addition, to her role as Senior Director, Total Rewards, now also has oversight of the Benefits portfolio, which includes post-retirement benefits
- With the recent retirement of Inas Assaad, I, **Linda De Quintal**, have assumed leadership of the Global Benefits portfolio and am reporting to Annie.

FINANCIAL UPDATE

Following our annual review of the VSHP's financial experience in 2020, which was reviewed with the Benefits Committee of the Pionairs, we are pleased to announce the following changes:

- VSHP annual renewal for 2021 will be extended from May 1st, 2021 to December 31st, 2022.
- Effective January 1st, 2023, the renewal frequency will be conducted annually and will line up with the calendar year (January to December).
- Monthly contributions will remain unchanged until December 31st, 2022 at which time they will be reviewed.

In addition, the following benefit enhancements will be effective on January 1st, 2022:

- There will be a "premium holiday" for January and February 2022 (2 months) where no monthly contributions towards the VSHP will be taken.
- The Lifetime maximum under the VSHP will be increased from \$75,000 to \$100,000.
 - If you previously exhausted your lifetime maximum, the additional \$25,000 increase will only be available effective January 1st, 2022.
- Eye examination reimbursements will increase from \$35.00 to \$45.00 every 24 consecutive months.

The table below provides the current rates that will remain in effect until December 31, 2022.

Provinces	Under age 65			Over age 65		
	Single	2 persons	3 persons or more	Single	2 persons	3 persons or more
Quebec	\$39.43	\$78.40	\$98.11	\$46.49	\$90.57	\$113.80
Ontario	\$72.30	\$144.03	\$180.16	\$60.57	\$122.32	\$152.61
Alberta	\$52.65	\$104.88	\$131.20	\$48.05	\$94.22	\$118.24
British Columbia, Manitoba & Saskatchewan	\$38.16	\$76.04	\$95.11	\$60.74	\$122.54	\$152.91
Atlantic	\$63.32	\$125.93	\$157.61	\$102.92	\$200.51	\$251.97

Currently, Québec and Ontario require tax on the above contributions. If you reside in one of these provinces, the contributions shown above will be increased by the following:

- Québec residents: 9%
- Ontario residents: 8%

RETIREES RESIDING IN QUEBEC

Retirees turning age 65, have two options, to enroll with RAMQ drug plan subsidized by the government; or maintain drug coverage under the Air Canada Retired Health plan.

Option 1: RAMQ participation (RAMQ first payer and ClaimSecure second payer (residual))

- Your enrolment with the Régie de l'Assurance-Maladie du Québec (RAMQ) is completed electronically and can be set up by your pharmacy when submitting your first claim upon attaining age 65. Once you are registered; RAMQ will become first payer for most prescription drugs and ClaimSecure will be second payer.
- Your lifetime maximum is less impacted as RAMQ absorbs most of the cost for prescription drugs and the residual is passed through ClaimSecure.
- This is the preferred and recommended option.

Option 2: Air Canada Retired Health Plan (ClaimSecure would remain first payer)

- Should you choose to maintain prescription drug coverage under the Air Canada retired health plan, you must deregister from RAMQ and you will be required to pay an additional annual premium to Air Canada for RAMQ equivalent coverage of \$2,616 for single coverage or \$4,360 for family coverage, plus tax.
- Your lifetime maximum is negatively impacted as the full cost of prescription drug claims is absorbed under your individual plan.
- The option to have this coverage provided under the Air Canada plan is considerably more expensive than retaining the coverage under the RAMQ. The annual premium, in effect July 1st, 2021 varies from \$0 to \$662 per adult, depending on net family income and no tax is required on this premium.

IMPORTANT

Please review the above rate table to ensure that the monthly contributions you are making are correct. If you determine that you need to add/change or modify your dependent profile (i.e. change coverage from three persons to two persons), please access HR Connex and follow the steps below:

- Access ACAeronet and click on HR Connex
- Once in HR Connex make sure you are on the HR Home tab
- Under Tools, select ClaimSecure Dependent Profile

If you are unable to submit your request online, please submit form **ACF867B** available on HR Connex under the **Policies and Forms tab**. Kindly note that any modification to your coverage is not retroactive and will take effect on the first of the month following notification to Group Benefits.

If you have any questions, please contact the **Employee Care Team** at 1 833 847-3675 or send an email to people.employees@aircanada.ca



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