

## GROUP BENEFITS – FAQ'S

Sometimes benefit rules can be confusing and claim deadlines can be missed. To help both employers and employees, here's a quick-reference guide addressing our most frequently asked questions.

### Coordination of Benefits

When an employee or their dependents are eligible under two group plans, the insurance companies involved will share payment of eligible expenses. Total reimbursement will not exceed 100% of the cost incurred.

Insurance companies have established a 'protocol' on who pays first. Essentially there are two important rules to remember:

- ☛ **Employee coverage first:** Claims must be submitted to the plan under which the individual is directly covered (their own employer's plan) before submitting to a spouse's plan.
- ☛ **Dependent children – the "birthday rule":** Claims are submitted first to the plan of the parent whose month and day of birth occurs earlier in the calendar year, then to the other parent's plan.

Once the primary payer has processed the claim, the secondary payer will consider the remaining balance—provided the expense is eligible under its plan. The secondary insurer usually requires a copy of the Explanation of Benefits (EOB) from the first insurer.

### Coordination with a Health Spending Account (HSA)

Claims must be submitted to all available group benefit plans first. Any remaining unreimbursed amount (up to 100%) may then be submitted to the HSA.

The same coordination rules apply when determining which group plan pays first.

### Opting Out of Duplicate Coverage

Employees who contribute toward their group benefits may choose to waive extended health and/or dental coverage if they are already covered under a spouse's plan.

To opt out, employees must complete the waiver section of the Application for Benefits Coverage form. If the employee or their dependents later lose coverage under the spouse's plan, the employee has 31 days to add the waived coverage without medical evidence or questions.

### THE JOHNSTONE'S ADVANTAGE

Our mission is simple:  
**Treat each client as if they were our only client.**

Our value is clear:  
**We are completely independent.** We work for you and offer total flexibility on insurers and plans.

We offer all your group insurance services including administration, brokerage, consulting, and communications.

We provide dedicated client support, customization and flexibility to meet all of your company's benefits needs. And we make **solid group plans simple.**



## Claims Deadlines

All insurers strictly enforce claim submission deadlines:

- ☛ **Extended health & dental:** Claims deadline is typically 12 months from the date of service. This means receipts dated in March 15, 2025 must be received by the insurer by March 15, 2026.
- ☛ **Health Spending Accounts (HSA):** Claims must be submitted within 30, 60, or 90 days after the end of the plan year, depending on your contract. If the HSA policy year is January to December, claims must be received for reimbursement by January 31<sup>st</sup>, February 28<sup>th</sup> or March 31<sup>st</sup> of the following year, depending on your contract.

## Electronic Claims & Payments

Dentists, pharmacists, paramedical practitioners and vision care providers have been submitting claims electronically to insurers on behalf of their patients for several years making reimbursements more efficient and timelier. Employees can also use e-claims for many types of expenses, making the claims process easier and reimbursements faster.

Claim reimbursements directly deposited into an employee's bank account are available for both electronic and traditional claims. Easy to set up with the insurer, the employee provides bank account information and will receive an explanation of payment by email or on the insurer's website.

## Coordination with Provincial Health

To be eligible for a group extended health plan, the employee must also be enrolled in the provincial health plan for their province of residence.

Provincial health plans universally cover the basic expenses for doctors, hospital stays and lab tests, and depending on the province, these plans may also cover some other health expenses.

Your employer-sponsored extended health plan is prohibited by law to cover any medical expense

covered under the provincial plan, with the exception of Quebec.

## No Tax on Health and Dental Benefits

Currently premiums paid by an employer for extended health or dental plans are not considered as taxable income to employees, nor are these benefits taxable upon receipt.

### 2026 Government Benefits Updates Employment Insurance (EI)

The maximum insurable earnings is the income level to which EI is paid. In 2026 it increases to \$68,900, (from \$65,700) resulting in the weekly amount changing to \$729 (from \$695).

EI premium rate for 2026 is \$1.63 per \$100 of insurable earnings for employees.

The EI premium rate for Quebec residents is \$1.30 per \$100 of insurable earnings for employees.

### Canada Pension Plan (CPP)/ Quebec Pension Plan (QPP)

Employee and employer contribution rates will be 5.95%, unchanged from 2025. The maximum employer and employee contribution to the CPP/QPP for 2026 will be \$4,230.45 each. The basic exemption amount will remain at \$3,500.00.

Year's Maximum Pensionable Earnings (YMPE) under the CPP/QPP for 2026 will be \$74,600. The second earnings ceiling, the Year's Additional Maximum Pensionable Earnings (YAMPE), will be \$85,000. The YAMPE will be used to determine additional CPP contributions (CPP2). As a result, pensionable earnings between \$74,600 and \$85,000 are subject to CPP2 contributions.

## CONTACT US

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**JOHNSTONE'S JOURNAL** is published monthly and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies and share with your employees.

