



INFOSHEET

Programs and Services



Number

6

2016-09-01

Benefit Changes Upon Marriage, Common Law Relationships Or Acquiring Dependents

Introduction

Upon getting married, entering into a common law relationship including same-sex relationships, or acquiring dependents, teachers should be aware of a number of items which they must action in order to put their benefit house in order. Too often we incorrectly assume that matters are automatically taken care of for us. However, it is the teacher who must initiate certain necessary changes in benefit coverage in order to ensure the smooth transition of documentation from single to family status. The purpose of this Infosheet is to assist teachers in making changes in the Association's benefit program which reflect the new dependent or family status, and to give a step-by-step overview of the most important changes required to maintain appropriate benefit levels under your new status.

Payroll/Pension Benefit Changes

Any active teacher whose dependent or family status changes must, as soon as possible, inform Teacher Payroll at the Department of Education of the event and date of its happening. An active teacher who marries, for example, must inform Teacher Payroll of the date of the marriage. An active teacher who acquires a dependent, i.e. single parent, must also make that information known to Teacher Payroll. For any retired teacher whose dependent or family status changes, they must inform the Pensions Division at the Department of Finance as soon as possible of the event and date of change. Teachers without a spouse or children, but with individuals who are financially dependent on them, should contact the Pensions Division at the Department of Finance re the possibility of designating a beneficiary.

In the event of a pre-retirement death of a teacher, the surviving spouse/partner has the option of: (i) a lump sum payout based on the commuted value of the pension

or (ii) a monthly pension equal to 60 percent of the teacher's accrued pension. In the event of a pensioner's death, the surviving spouse/partner will be entitled to 60 percent of the pension to which the deceased spouse was receiving at the time of death. Furthermore, in the event of the death of both parents who are both retired teachers, their dependent children (under age 18 or 24 if in post-secondary school) would receive a pension equivalent to 60 percent of the pension each parent would have received. Integration of all pensions will occur the month following the 65th birthday of the teacher or pensioner. Designated beneficiaries, in accordance with the Teachers' Pensions Act, would be entitled to the 60 percent benefit. If an active teacher dies without a spouse/partner, the estate receives the commuted value of the teacher's pension. For further information on this and other aspects of teachers' pensions, you should consult the booklet entitled "The Teachers' Pension Plan," available from Programs and Services or on the NLTA website at www.nlta.nl.ca; or contact the Pensions Division, Department of Finance, PO Box 8700, St. John's, NL A1B 4J6; Tel: 709-729-3931/2; Fax: 709-729-6790; pensions@gov.nl.ca.

Group Life Insurance

Under the current Group Insurance Program, a teacher is automatically enrolled for family coverage: Basic Life (2 X salary); Dependent Life; Basic AD&D (2 X salary); Health (family coverage); Dental (family coverage); Long-Term Disability (under 40); Basic Critical Illness.

If a teacher requires single coverage only, they must contact Johnson Inc., Plan Administrator, to change from Family to Single coverage. (If paying family coverage with no dependents, you are paying the incorrect premium.)

Life Style Change (eg. Married, birth of child, common-law partner, etcetera)

- a) If teacher marries or upon the birth of a child, the teacher should contact Johnson Inc. within 31 days of the change. Beyond 31 days, application providing satisfactory medical evidence of insurability will be necessary and approval must be granted by the underwriters.
- b) If not legally married, but cohabit in a conjugal relationship for a minimum of 12 continuous months, you must contact Johnson Inc., within 31 days of the end of the 12th month period in order to obtain coverage for your partner. Otherwise, application providing satisfactory medical evidence of insurability will be required and approval must be granted by the underwriter.

Designating Beneficiaries

All teachers should designate a beneficiary(ies) for all life insurance policies. To do so, a teacher must contact Johnson Inc. for the appropriate forms. Teachers may wish to consider changing their designated beneficiary(ies) based upon lifestyle changes, eg. Married, divorced, remarried, additional dependents, etcetera. Insurance benefits can be released relatively quickly to the named beneficiaries upon proof of death. If the beneficiary is named in one's will, monies to the estate cannot be released until the will is probated. The latter may take a considerable period of time depending on the complication of the will and the family circumstances. This, then, would entail unnecessary financial hardship for loved ones left behind without ready income.

Contingent beneficiaries, i.e. those to whom the insurance benefit would be payable to in the event that a primary beneficiary is deceased prior to the insured member, can be named by completing the appropriate beneficiary form available from the Plan Administrator, Johnson Inc., 10 Factory Lane, St. John's, NL A1C 6H5; Tel: 709-737-1528 or 1-800-563-1528; Fax: 709-737-1021; www.johnson.ca/nlta. For teachers with dependents who are children, trustees should be named in the will for beneficiaries under the age of 18.

Note: If you and your spouse are both teachers, it is your responsibility to check your pay stubs and decide (ASAP) whether both of you wish to pay family premiums. Premiums will not be refunded retroactively beyond the current insurance year in which Johnson Inc. was informed of the change in status. Each year all members of the Group Insurance Program receive a Group Insurance Benefit Statement from Johnson Inc. It is the members responsibility to ensure that the coverage, benefits and beneficiary designation are correct. The computer system cannot identify two people as spouses and will therefore deduct all insurance options based on your new status, unless you specifically provide directions to Johnson Inc. concerning your wishes.

Conclusion

When a teacher acquires a dependent, the onus of responsibility is on the teacher to contact Pensions Division, Teacher Payroll, and the Group Insurance Plan Administrator, Johnson Inc., to make the necessary or desired changes.

<p>Note: In the event of a discrepancy between this Infosheet and the Group Master Policy, the terms of the Group Master Policy will apply.</p>
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