

26 March, 2014

Changes made to the Public Service Health Care Plan

Changes to the Public Service Health Care Plan (PSHCP) were made following discussions between Treasury Board and the Plan's Partners Committee, which includes federal public sector unions, retirees and employer representatives. Discussions were held under threat by the Government to legislate rollbacks to the Plan.

The Government's February 2014 budget made it clear that it wanted to increase retiree premiums for the PSHCP, and increase the years of service to be eligible for the PSHCP as a retiree. It was clear from discussions with Treasury Board in the Partners Committee that these changes would be legislated.

In this context, a deal was eventually reached that provided some improvements to the Plan.

Changes to the Plan

- Deductibles for all PSHCP members (active and retired) will be removed as of January 1, 2015. The \$100 per family or \$60 for a single member will no longer be paid.
- Three new benefits to begin as of October 1, 2014:
 - Laser eye surgery to be included under the plan with a lifetime cap of \$1,000
 - Repairs and replacement parts for CPAP (sleep apnea) machines to be covered up to \$300 per year
 - Increase the psychological services cap to \$2,000 from \$1,000
- Current and future pensioners will move to paying 50% of PSHCP premiums. This will be phased in over four years, starting on April 1, 2015.
- Current retirees with incomes that make them eligible for the Guaranteed Income Supplement (approximately \$16,728 for a single person and \$22,080 for a couple) will continue to pay only 25% of the premiums.
 - Retirees who are younger than 65 will have these same income thresholds apply to them
- 6 year service requirement to access retiree benefits. This will apply to current employees with the following exceptions:
 - All current retirees and deferred annuitants
 - Veterans' Affairs Client Group as described in the plan
 - Medical retirees, permanently disabled retirees
 - Spouses and dependents of employees who die with less than 6 years' service
 - Members with more than 2 years' service who are separated as a result of the Workforce Adjustment Appendix (WFAA)
- Letter of Understanding committing to ongoing negotiations of the PSHCP with a written commitment from the Employer not to bring any negative changes to the table before March 2019.