Congratulations, you are on your way to retirement!

Before going on a trip, we often complete a checklist: hold the newspaper delivery, have a neighbour pick up the mail and water the plants, leave the cat or dog with a friend, and so on.

The same principle applies for retirement, especially when it comes to benefits. There are a number of decisions you need to make regarding benefits under the Public Sector Group Insurance Plan (PSGIP). For your convenience, we have prepared the following benefits checklist for you to complete as you prepare to journey into a new and exciting phase of your life.

This checklist comes with the forms that you need to complete to make your PSGIP choices for you and your family. Please read these documents carefully and contact Johnson Incorporated if you have any questions. You can reach them at:

Johnson Inc.
201 Buchanan Street
(Buchanan Plaza)
Charlottetown, PEI
C1E 2E4

Charlottetown area: (902) 628-3537
Elsewhere: 1 800 371-9516

This PSGIP checklist simply gives you an overview of what you need to consider and do before you retire. Please make sure you fully understand the terms of the PSGIP before making any final decisions. We invite you to consult the PSGIP retiree section at www.mybenefitplan.ca for details about coverage available at retirement.

Karen Fraser
Chair, PSGIP Trustees
Choose the health benefits option that best meets your needs.

Here is a snapshot of the options available to you during retirement if you currently have coverage as an active employee. You may also choose not to have PSGIP health coverage; before you decide, please see the considerations outlined on page 4.

**Option 1**
- **Ambulance:** 100% reimbursement of the first $50 of eligible expenses per person, per calendar year, and 80% of any excess

- **Drugs:** 80% reimbursement of the first $150 of eligible expenses per drug requiring a prescription; 100% of the excess; regardless of how high the cost of your prescriptions might be, you will not pay more than $30 per eligible drug appearing on your prescription

- **Eligible medical services/equipment, paramedical services and private nursing care:** 80% reimbursement

- **Eye exams:** reimbursed at 80%, up to one eye exam once every two calendar years (every calendar year for persons under 18)

- **Eyeglasses or contact lenses:** reimbursed at 80%, up to $80 once every two calendar years (every calendar year for persons under 18)

- **Hospitalization:** not covered

**Option 2**
- Same as Option 1, except each policy year (April 1 to March 31), you must pay the first $200 (single coverage) or $400 (family coverage, i.e., $200 for yourself and another $200 for all of your eligible dependents combined) of eligible prescription drugs before drug coverage begins

**Option 3**
- Same as Option 1, except once you pay up to $50 per eligible drug appearing on your prescription, the plan covers the remainder of the drug cost at 100%

**Option 4**
- Same as Option 1, except that drugs are not covered, but hospitalization is covered as follows: 100% of the difference between ward and semiprivate room and 80% of the difference between semiprivate room and private room
Health benefits (cont’d)

Comparison with your current coverage

All active employees have the same PSGIP health coverage. At retirement, however, you have four levels of coverage or options to choose from, as indicated on the previous page. Here is an overview of the main differences between your coverage as an active employee and coverage at retirement.

<table>
<thead>
<tr>
<th>Eligible drugs requiring a prescription</th>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage: 80% of the first $150 of eligible expenses per drug requiring a prescription; 100% of the excess</td>
<td>- Options 1 and 2: same coverage as Active Plan, except Option 2 has a deductible</td>
<td>- Option 3: 100% coverage once you pay the first $50 per eligible drug appearing on your prescription</td>
</tr>
<tr>
<td></td>
<td>- Option 4: No coverage</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vision care</th>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage: 80% of usual cost</td>
<td>- Option 1 and 2: same coverage as Active Plan, except Option 2 has a deductible</td>
<td></td>
</tr>
<tr>
<td>Maximum reimbursement: $160 in any period of two consecutive calendar years (if under age 18, one year)</td>
<td>- Option 3: 100% coverage once you pay the first $50 per eligible drug appearing on your prescription</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Option 4: No coverage</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Paramedical practitioners</th>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage: 80% of usual cost</td>
<td>- Option 1 and 2: same coverage as Active Plan, except Option 2 has a deductible</td>
<td></td>
</tr>
<tr>
<td>Maximum visits: 20 visits per practitioner (6 for social workers) per calendar year</td>
<td>- Option 3: 100% coverage once you pay the first $50 per eligible drug appearing on your prescription</td>
<td></td>
</tr>
<tr>
<td>Maximum reimbursement: $800 per calendar year for all paramedical practitioners combined</td>
<td>- Option 4: No coverage</td>
<td></td>
</tr>
<tr>
<td>Eligible practitioners: acupuncturists, chiropodists (or podiatrists), chiropractors, clinical psychologists, naturopaths, osteopaths, social workers, speech therapists</td>
<td></td>
<td>- Eligible practitioners: chiropodists (or podiatrists), chiropractors, osteopaths</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registered physiotherapists</th>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan pays same as above</td>
<td></td>
<td>Plan pays same as above, but no dollar limit per visit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Massage therapists</th>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage: 80% of usual cost</td>
<td>- Option 1 and 2: same coverage as Active Plan, except Option 2 has a deductible</td>
<td></td>
</tr>
<tr>
<td>Maximum reimbursement: $240 per calendar year</td>
<td>- Option 3: 100% coverage once you pay the first $50 per eligible drug appearing on your prescription</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Option 4: No coverage</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Orthotics and orthopedic shoes</th>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage: 80% of usual cost</td>
<td>- Option 1 and 2: same coverage as Active Plan, except Option 2 has a deductible</td>
<td></td>
</tr>
<tr>
<td>Maximum reimbursement: $240 per calendar year for orthotics and orthopedic shoes combined</td>
<td>- Option 3: 100% coverage once you pay the first $50 per eligible drug appearing on your prescription</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Option 4: No coverage</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage:</td>
<td>- 100% of the difference between ward and semiprivate room</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- 80% of the difference between semiprivate room and private room</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Option 3: 100% coverage once you pay the first $50 per eligible drug appearing on your prescription</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Option 4: No coverage</td>
<td></td>
</tr>
</tbody>
</table>

| | - Available only under Retiree Option 4; same coverage as Active Plan |
Health benefits (cont’d)

Keep in mind …

- Proof of good health is not required to continue coverage upon retirement, but you must have coverage as an active employee when you retire.

- You may change options as of April 1 of each year.

- When you reach age 65, drugs available under the government’s Seniors Drug Cost Assistance Program (DCAP) will be covered under that program rather than by the PSGIP.

- If you waive coverage upon retirement, you may not re-enrol at a later date unless you retire within the year of re-enrolment and you previously had coverage as an active employee. You and your dependents will be required to provide proof of good health.

- If you choose not to continue health coverage at retirement because you are covered under your spouse’s group insurance plan and coverage under that plan ends, you may join the PSGIP within 31 days of the termination of that coverage.

Considerations before you choose a health care option

Before you choose a health care option, consider the following:

- What is the general state of your health and your family’s health?

- Did you know that dispensing fees vary by pharmacy? For a regular prescription, the dispensing fee can range from about $4 to $12.

- If you are 65 or over, family coverage under Option 2 costs about $570 less per year than Option 1 (based on April 1, 2015 rates). If you think your annual health care expenses will be greater than this amount, you should consider Option 1.

- You can maintain your eligibility for coverage if you elect Option 4, which does not provide drug coverage. If, at a later date, you wish to have drug coverage, you can change your option (every April 1) to one of the options that cover drugs.

- If you waive coverage upon retirement, you may re-enrol only within 12 months of retirement, provided you previously had coverage as an active employee. You and your dependents will be required to provide proof of good health. You may not re-enrol at a later date.

- If you decide not to continue coverage at retirement under the PSGIP retiree health options and you elect to buy an individual health plan, please read the benefit terms of the individual plans carefully as some plans might have annual maximum reimbursement amounts, e.g., reimbursement of only the first $2,500 of drug expenses. If you wish to be insured under an individual health plan, the insurer will require proof of good health.
### Health benefits (cont’d)

To help you decide which option is best for you, follow the steps below to estimate your total annual cost under each option.

**Step 1:** Estimate your annual expenses for you and your family.
**Step 2:** Determine your annual premiums for each option.
**Step 3:** Estimate the co-pay/deductible that will apply to you under each option and add this amount to your annual premiums.

Please keep in mind that you need to take into account the various provisions and limitations of the plan. Also, be sure to consider your level of comfort regarding coverage of expenses that cannot be foreseen.

#### Illustration for someone over age 65 with family coverage

**Step 1: Estimate your annual expenses for you and your family**

- 4 prescriptions per month (2 per retiree 2 per spouse) = 48 per year
- Average cost of $30 per prescription = $1,440
- Eyeglasses (2 pairs @ $250 each; 1 pair for you and another for your spouse) = $500
- Physiotherapy (6 visits @ $80 per visit) = $480

The cost under each option would be as follows:

<table>
<thead>
<tr>
<th></th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 2: Annual premium</strong></td>
<td>$2,575</td>
<td>$2,007</td>
<td>$1,418</td>
<td>$429</td>
</tr>
<tr>
<td><strong>Step 3: Co-pay/deductible</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drugs</td>
<td>$288</td>
<td>$608</td>
<td>$1,440</td>
<td>$1,440</td>
</tr>
<tr>
<td>Eyeglasses</td>
<td>$340</td>
<td>$340</td>
<td>$340</td>
<td>$340</td>
</tr>
<tr>
<td>Physiotherapy</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
</tr>
<tr>
<td><strong>Annual cost</strong></td>
<td>$3,299</td>
<td>$3,051</td>
<td>$3,294</td>
<td>$2,305</td>
</tr>
</tbody>
</table>

* Based on April 1, 2015 rates.

Your personal situation may differ from this illustration. If you wish, you may review your personal situation with the plan administrator, Johnson Inc., by phone or in person.
Dental benefits

Choose the dental benefits option that best meets your needs.

Here is a snapshot of the options available to you if you currently have coverage as an active employee. You may also choose not to have PSGIP dental coverage.

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic services</td>
<td>Coverage: 80%</td>
</tr>
<tr>
<td>Major services</td>
<td>No coverage</td>
</tr>
</tbody>
</table>

Comparison with your current coverage

Here is an overview of the main differences between your coverage as an active employee and coverage at retirement.

<table>
<thead>
<tr>
<th>Active Plan</th>
<th>Retiree Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dental Specialist Fee Guide</td>
<td>Covered</td>
</tr>
<tr>
<td>Recall coverage</td>
<td>Covered every calendar year</td>
</tr>
<tr>
<td>Major restoration</td>
<td>Maximum reimbursement: $1,000 per calendar year</td>
</tr>
<tr>
<td>Orthodontics for children and adults (Dental Plan Option 2 for actives only)</td>
<td>Coverage: 50%</td>
</tr>
<tr>
<td></td>
<td>Maximum reimbursement: $3,000 in a lifetime</td>
</tr>
</tbody>
</table>

Considerations before you choose a dental care option

- You may change options as of April 1 of each year.
- If you waive coverage upon retirement, you may re-enrol only within 12 months of retirement, provided you previously had coverage as an active employee. You and each covered dependent will be limited to $100 during the first 12 months of coverage. You may not re-enrol at a later date.
- If you choose not to continue dental coverage at retirement because you are covered under your spouse’s group insurance plan and coverage under that plan ends, you may join the PSGIP within 31 days of the termination of that coverage.
**Travel benefits**

- **Decide if you want travel coverage.**

  The retiree travel plan will cover you and your eligible dependents for the first 180 days of a trip, up to $1 million per emergency above what your provincial plan pays.

  **Keep in mind ...**
  - If you decide to continue your travel coverage at retirement, you can opt out at a later date, but you will **not** be able to rejoin.
  - If you choose not to continue travel coverage during retirement because you are covered under your spouse’s group insurance plan and coverage under that plan ends, you may join the PSGIP within 31 days of the termination of that coverage.
  - If you never had travel coverage as a retiree, you can join the travel plan at any time. Once in the plan, you can subsequently withdraw, but only one time. Once you withdraw, you may not re-enroll at a later date.

**Comparison with your current coverage**

Unlike your coverage as an active employee, coverage at retirement:

- is limited to the first 180 days of any trip; and
- applies for any eligible expenses only if your condition is considered stable.

A stable condition refers to any medical condition or related condition (including any heart condition or any lung condition) for which there have been:

- no new treatment or new prescribed medication; and
- no change in treatment or change in prescribed medication (including the amount of medication to be taken, how often it is taken, the type of medication or change in treatment frequency or type); and
- no new symptom, more frequent symptom or more severe symptom experienced; and
- no test result showing a deterioration; and
- no hospitalization or referral to a specialist (made or recommended) or the results of further investigations not yet completed for that medical condition or related condition (including any heart condition or any lung condition).

The travel plan will not pay for any expenses incurred directly or indirectly as a result of:

- your medical condition or related condition, if at any time in the six months before you depart on your trip, your medical condition or related condition has not been stable;
- your heart condition, if at any time in the six months before you depart on your trip:
  - any heart condition has not been stable; or
  - you have taken nitroglycerin more than once per week specifically for the relief of angina pain;
- your lung condition, if at any time in the six months before you depart on your trip:
  - any lung condition has not been stable; or
  - you have been treated with home oxygen or taken oral steroids (prednisone or prednisolone) for any lung condition.

If you ask your doctor prior to travel if you are fit for travel, please show your doctor the insurer’s definition of a “stable condition”.

### Survivor benefits

<table>
<thead>
<tr>
<th>Section</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Basic Life and Accidental Death and Dismemberment Insurance** | You have nothing to do to obtain minimum coverage.  
If you are vested in the pension plan, you are automatically insured for $5,000 under the Basic Life Insurance Policy. If you are a Civil Service employee, you also receive coverage of $5,000 under the Basic Accidental Death and Dismemberment Policy. |
| | Decide if you wish to convert your current coverage to individual policies.  
If you retire under age 65, you have the option of converting your current Basic Life Insurance Policy and Basic Accidental Death and Dismemberment Insurance Policy to individual policies with the insurers. This conversion must be done within 31 days of your retirement. |
| **Basic Dependent Life Insurance** | Determine if you wish to maintain your current coverage.  
If you already have dependent basic life insurance, you may choose to maintain that coverage (at the current level).  
This dependent basic life coverage will end when you reach age 65, if you are in the Health Sector. If you retire from Civil Service, it will continue for life. |
| **Optional Employee Life Insurance** | Determine if you wish to maintain your current coverage.  
If you already have optional employee life insurance upon retirement before age 65, you may choose to maintain that coverage (at the current level).  
This optional coverage will end when you reach age 65. |
| **Optional Spousal Life Insurance** | Determine if you wish to maintain your spouse’s current coverage.  
If you already have optional spousal life insurance upon retirement and both you and your spouse are under age 65 when you retire, you may choose to maintain that coverage (at the current level).  
Your spouse’s optional coverage will end on the earlier of:  
- your 65th birthday; and  
- your death. |
Optional Children Life Insurance

- **Determine if you wish to maintain your children’s current coverage.**
  
  If you already have optional children life insurance upon retirement and you retire before age 65, you may choose to maintain that coverage (at the current level).
  
  Your children's optional coverage will end on the earliest of:

  - the day they are no longer considered dependent children;
  - your 65th birthday; and
  - your death.

Optional Accidental Death and Dismemberment Insurance

- **Determine if you wish to maintain your current coverage.**
  
  If you already have optional accidental death and dismemberment insurance upon retirement before age 65, you may choose to maintain that coverage (at the current level).
  
  This optional coverage will end when you reach age 65.

Making changes

**Advise Johnson Incorporated at (902) 628-3537 or 800 371-9516 if ...**

- Your mailing address changes.
- Your spousal relationship changes.
- You wish to make a change in your life insurance beneficiary designation.

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This checklist summarizes the benefits and some provisions of your group insurance plan as at April 1, 2015; it does not include all details, provisions, exclusions and limitations. It does not constitute the group insurance policies and is not a contract of insurance, nor does it create or confer any contractual or other rights. Every effort has been made to ensure that the information is accurate. However, if there is any question as to the interpretation, all rights with respect to an insured person will be governed solely by the official group insurance policies.

Updated June 2015