



*telecommunication workers pension plan*

July 25, 2011

**NOTICE TO ALL RETIRED MEMBERS**

**Re: Extended Health Benefit – Increased Premiums**

Each year, the Trustees of the TW Pension Plan in conjunction with Pacific Blue Cross and the Plan's consultants conduct a review of the financial experience of the Retiree EHC and Dental plans. These benefits are 100% experience rated and as such, the premiums charged are based solely on the experience of the group along with provisions for administration expenses. Please note there has been no increase in administration fees.

Based on this review, this notice is to advise all retired members enrolled in the Basic Extended Health Plan Group #909744 that there will be a premium rate increase of 60% and the Enhanced Extended Health Plan Group #909733 will have a premium rate increase of 5%. The increase will be effective September 1, 2011. There is no rate increase for those covered for Dental.

Starting September 1, 2011 your monthly pension will be adjusted to reflect this increase and the new monthly rates will be as follows:

	Single	Couple	Family
Basic EHB Premiums	\$48.78	\$99.94	\$99.94
Enhanced EHB Premiums	\$105.55	\$216.98	\$216.98

We are sure many members enrolled in the Basic Extended Health Plan will be questioning what has caused the significant increase in premiums. The review of the claims experience show the increase in claims costs is largely driven by an increase in the utilization of paramedical service. More specifically, the claims for massage therapy alone increased by 58% on a year over year basis. There were also increased claims in drugs, medical aid/equipment and other misc. medical requirements.

During our review of the premiums we also reviewed the proposed rates with Pacific Blue Cross book rates for comparison purposes. It was confirmed that the proposed rates were still significantly less than PBC's book rate for a plan with the Basic Plan design. Please see the following:

	PBC Book Rates	Renewal Rates	Ratio of Book Rates to Proposed Rates
Single	\$65.71	\$48.78	135%
Couple/Family	\$146.36	\$99.94	146%

Should you have any questions please feel free to contact the TWPP administration office.

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