



Termination of benefits for non-payment of premiums guideline

Alberta 

Required if applicable

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Table of Contents

1.0	Principles of Termination of Benefit.....	4
1.1	Employee Responsibility	4
1.2	Employer Responsibility	4
2.0	Termination of Benefits.....	4
2.1	Termination of Group Benefit Plans for Non-Payment of Employee Premiums	4
2.2	Employer Responsibility for Termination of Benefits	5
3.0	Reinstatement of Benefits.....	5
3.1	Life Insurance and AD&D	5
3.2	Choice Time and Life Events	5
4.0	Collection of Benefit Arrears.....	5
4.1	Collection of Arrears upon Return to Work.....	5
4.2	Collection of Arrears from a Terminated Employee	6
5.0	Contact Information.....	6

1.0 Principles of Termination of Benefit

The Government of Alberta provides comprehensive benefits programs to serve the health and dental needs of eligible employees and eligible dependents. This Guideline applies to permanent and temporary salaried employees, wage 2850 employees, and employees on a contract of employment who are enrolled in the benefit programs. The Government of Alberta and enrolled employees are both required to pay their portion of the benefit premiums to fund the group benefit plans.

The guidelines outlines the employee's responsibility to ensure benefit premiums are paid during a leave of absence without pay.

It applies to permanent and temporary salaried employees, wage 2850 employees, and employees on a contract of employment who are enrolled in the benefit programs.

An employee with an approved leave of absence without pay will continue to have group benefits coverage throughout the duration of their leave provided premiums are paid prior to the commencement of the leave.

1.1 Employee Responsibility

It is the employee's responsibility to pre-pay the employee portion of their group benefit plan premiums for the duration of their leave of absence without pay. The employee should inform the employer and make the pre-payment prior to the leave of absence without pay.

Employees who fail to remit benefit premiums when due will have their group benefits coverage terminated.

1.2 Employer Responsibility

The employer will provide employees with options to pay for the employee portion of benefit premiums for the duration of their leave. Options include pre-authorized payroll deductions prior to the leave, post-dated cheques during the leave, or a lump sum payment in the form of a cheque or payroll deduction.

In accordance with the Collective Agreement (Article 34.05) and HR Directives, the employer must provide the employee with written notice of the intent to terminate benefits at least two (2) weeks in advance of the termination of benefits if employees have not paid their benefits.

Group benefits coverage may be reinstated when the employee becomes eligible.

2.0 Termination of Benefits

If the employee does not arrange to pay the employee portion of their premiums while on a leave of absence without pay, group benefits will be terminated for the employee and enrolled dependents.

2.1 Termination of Group Benefit Plans for Non-Payment of Employee Premiums

The following benefit plans will terminate for non-payment of employee benefit premiums:

- Group Life Insurance and Accidental Death and Dismemberment (AD&D) Plans
- Dental Plan (including Core coverage)
- Extended Medical Plan
- Prescription Drug Plan

Note: Employees cannot maintain some of the plans. Either premiums are paid for all of the plans, or all of the plans terminate for non-payment.

The following benefit plans will not terminate while an employee is on a leave of absence without pay:

- Long Term Disability Income Continuance Plan (LTDI)
- Health Spending Account (HSA)
- Flexible Spending Account (FSA)

LTDI premiums required for both the employee and employer under the LTDI plans are waived while an employee is on a leave without pay. As per [LTDI Regulation Part 5 section 13 \(2\)](#) coverage under the Plan continues for an employee on a leave of absence without pay. However, benefits are not payable during the leave and, if applicable, premiums are not paid.

The HSA and FSA are separate benefits that supplement the group benefit programs. The HSA and FSA are 100% employer paid and will not terminate for non-payment of employee benefit premiums for the group benefit plans.

2.2 Employer Responsibility for Termination of Benefits

Upon notice of the leave, the employer will provide the employee with options to pay for their benefits prior to the leave of absence without pay.

- The employer will ensure that the appropriate notice is given to employees if premium arrears commence.
- If the employee fails to respond, a final notice will be provided to the employee that benefits will terminate and cannot be reinstated until the employee returns to work or commences a paid leave of absence (e.g., LTDI).
- Where benefits terminate for non-payment, the employer will seek repayment from the employee for benefit premium arrears owing.

3.0 Reinstatement of Benefits

Employees who have had their benefits terminated for non-payment of premiums while on a leave of absence without pay are not eligible to have benefits reinstated until the first of the pay period proceeding their return to work or commencement of an approved paid leave of absence such as LTDI. Coverage will resume at the levels in place prior to the leave commencing, with the exception of Life Insurance and AD&D where applicable.

3.1 Life Insurance and AD&D

LIFE INSURANCE AND AD&D

Life Insurance and AD&D	
If coverage terminates for six (6) months or less: <ul style="list-style-type: none">- Coverage will reinstate at a pre-leave levels	If coverage terminates for greater than six (6) months: <ul style="list-style-type: none">- The employee is considered a new entrant.- Evidence of Insurability is required for optional Enhanced Life Insurance.

3.2 Choice Time and Life Events

Employees must be enrolled in the group benefits plans to make changes to benefits at Choice Time and for an eligible Life Event.

4.0 Collection of Benefit Arrears

Employees are required to pay the employer any benefit premiums that accumulate during a leave of absence without pay.

4.1 Collection of Arrears upon Return to Work

Voluntary Repayment: When the employee returns to work or commences a paid leave of absence such as LTDI, the employer will notify the employee of the arrears owing and will seek voluntary repayment. Depending on the amount of arrears owing, a repayment plan will be considered.

Termination of Benefits for Non-Payment of Premiums Guidelines

Automatic Payroll Deductions: If an agreement to repay the arrears owing is not reached, the employer will move to recover the arrears through automatic payroll deductions of up to 10% of the employee's gross earnings per pay period as per Article 45.05 in the Collective Agreement, until the amount is paid in full.

4.2 Collection of Arrears from a Terminated Employee

If an employee terminates their employment and an outstanding amount of benefit premiums owing remains, the employer will deduct the amount owing from the employee's final payment of earnings.

If the final payment of earnings is not sufficient to cover the amount of premium arrears owing, the employer will take further action to seek repayment directly from the terminated employee.

5.0 Contact Information

Please direct questions to Service Alberta Employee Services (Benefits Team) if you have questions:

SA.BenefitsAdmin@gov.ab.ca