



## Procedure for Managing Severance Process

### PURPOSE

The purpose of this document is to summarize how severance agreements will be handled by Medavie Blue Cross (MBC).

### SCOPE

This procedure applies to all locations, except Auburn.

### FREQUENCY & TIMING

This process will be used whenever there is a severance agreement which requires an extension of benefits.

### PROCEDURE

- 1) MBC has outlined the following available extension of coverage terms for severed employees when the termination of employment is not related to the closing or significant reduction of a business division or unit. Extensions of coverage for group termination situations must be approved by MBC before making any offers.
  - Emergency out-of-Canada medical coverage and Basic and Optional Life up to a combined maximum of \$1,000,000 (*without disability waiver of premium provision*) may be continued for up to 12 months – inclusive of the statutory notice period.
  - Short Term Disability, Long Term Disability and the disability waiver of premium provision under the Basic and Optional Life may be continued for the statutory notice period only.
  - Health and Dental benefits can be extended at Sofina's discretion (*in accordance with Sofina's HR policies*). However, it's important to recognize that Sofina covers the cost of in-Canada Health claims up to \$20,000 per covered person per year and that MBC covers amounts in excess of this pooling level. MBC will only extend this excess pooling coverage for the statutory notice period. As a result, Sofina will be liable for all eligible in-Canada Health claims arising after the statutory notice period.
  - Premium payments must continue during the severance period.

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- Extensions of coverage will terminate on the earlier of: the last day of the extension period; the date the contract with MBC is terminated, the date the benefit is terminated, the date the premiums are not paid, the date the member becomes employed with another employer.

\* the notice period as required by the Employment Standards Act.

- 2) **For severance agreements that fall within the acceptable parameters noted above,** MBC requires an email from Sofina with a notice of the extension of benefits due to severance for their records. For these situations, the Payroll representative will need to complete the Benefits Continuance Template and email a copy to MBC (*Shannah Foster Hutchinson /Toni Sturino-Ffrench* ) with a copy to Total Rewards (Cindy Vienneau/Nadia Niro) noting the extension of benefits due to severance with the following information:

<b>Name:</b>	
<b>Employee ID:</b>	
<b>DOB:</b>	
<b>Date Employed:</b>	
<b>Last Day:</b>	
<b>Life, AD&amp;D, LTD End Date:</b>	
<b>Hospital End Date:</b>	
<b>Travel End Date:</b>	
<b>Health End Date:</b>	
<b>Prescription Drugs End Date:</b>	
<b>Dental End Date:</b>	

(Note: See attached copy of the benefits template. A copy of the Benefits Continuance Template is available for download on the MBC Benefits Admin site.)



Benefits Continuance  
Template.V2.xls

- 3) Once MBC receives the above information it will produce the letter to notify the member and Sofina Foods Inc. of the terms of the extension. This letter will be sent to the Sofina Payroll contact who requested the extension with a copy to Total Rewards (Cindy Vienneau/Nadia Niro).

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- 4) **For any extensions beyond the parameters listed above**, the details should be sent to the Senior Manager, Total Rewards for review and forwarding to the Senior Account Executive (*MBC*) outlining the details. The Senior Account Executive (*MBC*) will work with their underwriter for approval.
  
- 5) Once Sofina payroll has received the letter from MBC confirming extension of benefits due to severance, Sofina payroll must:
  - Change the member’s status in the Benefits Administration Site to “Termed with Benefits”.
  - Terminate any benefits the member is no longer eligible for.

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