

COMMUNIQUE INFO GASQ

COVID-19 TEMPORARY LAY OFF INFO

March 24th, 2020

Covid-19 crisis is now affecting many countries and will contribute to a global economic slowdown. This exceptional situation will have a negative impact on many Quebec companies. Decisions will be taken by these companies, both federal and provincial government, with financial and economical consequences. Many employers will have to proceed with temporary layoffs or even let go employees. All details related to termination of employees are part of the group insurance contract wording and it is important to refer to these clauses before taking any decision or action.

Here are some general notions:

Termination of employment :

- Refer to your collective agreement, your group insurance contract wording and to the Act respecting labour standards in order to be compliant;
- Advise your employees covered under the healthcare benefits they have to register under RAMQ, including dependent if it's the case, or under their spouse group insurance if offered by the employer;
- In the event of a return to work, it is possible that the waiting period for the eligibility under the contract, the proof of insurability be requested or the preexisting condition be applied. However, it is possible to void these conditions for rehired employees, you will need to contact your advisor at that moment.

Temporary layoff

Continuation or termination of benefits:

- First thing to do, refer to your group insurance contract and/or your collective agreement;
- As it is a collective contract, decisions to maintain coverage or terminate all or some benefits is a GROUP decision and not an INDIVIDUAL one;
- However, it is possible to have different rules per class of employees if your contract has more than one class;
- Do not forget, as per the RAMQ rules, if you decide to maintain any benefits, drug coverage is MANDATORY to be maintained as well;
- Also, when partial or complete continuation of coverage is selected, premiums will be required.
- In order to respect the duration period for the continuation of benefits, you need to refer to the contract wording as it can be different from an insurer to the other but also from a client

to another. Also with current Covid-19 situation, insurer are taken exceptional decision in order to help their clients.

Premium payment :

- As mentioned in the previous section, when there is partial or complete continuation of coverage, premiums will be required;
- We strongly recommend you, when payment of premium is shared, to sign an agreement with every concern employee to insure you the reimbursement of the paid premium;
- If you maintain coverage for the disability insurance and the benefit is non-taxable under the contract, the rule remains the same, the employee has to pay 100% of that premium;
- The insurer could suspend payment of benefits if the premium is unpaid, refer to the group insurance contract wording.

Continuation of the disability benefit or not:

- If you select the continuation of the disability insurance on premium paying basis during temporary layoff, the elimination period will start from the **expected return to work date** and when completed, the benefits will be payable (if the employee qualifies for the insurer's definition of disability under the contract);
- If you select not to continue the disability benefit, in the same situation where your employee is unable to return to work, no coverage applies so NO BENEFIT will be payable.

During this exceptionnal situation, your decision to maintain or terminate partial or complete coverage could possibly have a small or a huge impact on a short or a long period, so it is important to understand all possibilities and impact in order to take the best decision. The current Covid-19 situation change fast and insurer need to adapt as well, we recommend you to stay connect with the insurer website and/or newsletter or contact your advisor to be well informed in order to take the most appropriate decision for you and your employees.



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