

Terms You Need to Know

Important Terms that are used throughout the enrollment guide about your Flexible Benefits:

Annual Flex Dollars	Annual flex dollars are what CAPREIT provides you to spend on your Flexible Benefits each year. You receive annual flex dollars that will pay for your “Core Coverage”.
Core Coverage	Your core coverage is reflected on the Benefits at a Glance highlighted in blue.
Price Tag	<p>Each option has an annual cost or a <i>price tag</i> which will be shown to you in the enrollment process. Depending on the benefit, the cost of each option varies according to factors such as:</p> <ul style="list-style-type: none">• The level of coverage• Whether single or family coverage is chosen• Amount of your salary (volume of insurance for Life, Long-Term Disability and Accidental Death & Dismemberment)• Smoker, age and gender status (for spousal and employee Optional Life) <p>Your price tags are fixed throughout the year and do not change as a result of changes in your age or your base salary. You can review your annual price tags through the on-line enrollment process.</p>
Beneficiaries	You are responsible for ensuring that your beneficiary designation for your Life and AD&D benefits are complete and accurate. If you name multiple individuals as beneficiaries, please indicate a percentage of how each benefit should be allocated. If any of your beneficiaries are under the age of majority, a Trustee must be appointed except in the Province of Quebec.

<p>Co-ordination of Benefits</p>	<p>If you are covered for extended health and/or dental benefits under your spouse's group plan, your benefits under this plan will be co-ordinated with the other plan so that you may be reimbursed up to 100% of the eligible expense incurred. Claims must be submitted to the primary payor first. Any unpaid balances should then be submitted to the secondary plan. The following are guidelines to identify the primary and secondary plans:</p> <ol style="list-style-type: none">1. Great-West Life (GWL) Plan Member (under CAPREIT)<ul style="list-style-type: none">• GWL coverage for you is always primary2. Spouse<ul style="list-style-type: none">• If your spouse is a plan member under another benefit plan, this GWL coverage is always secondary for your spouse. Your spouse must first submit claims to his/her benefit plan.3. Children<ul style="list-style-type: none">• When dependent children are covered under both your GWL Life plan and your spouse's benefit plan, use the following order to determine where to submit the claims: The plan of the parent whose birth date (month and day) occurs earliest in the calendar year.• In cases of separation or divorce with multiple benefit plans for the children, the following order applies:<ol style="list-style-type: none">a. The benefit plan of the parent who has custody of the dependent childb. The benefit plan of the spouse of the parent who has custody of the dependent childc. The benefit plan of the parent who does not have custody of the dependent childd. The benefit plan of the spouse of the parent who does not have custody of the dependent child• If the parents have joint custody and both have the children listed as dependents under their plans, claims should first be submitted to the plan of the parent whose birth date (month and day) occurs earliest in the calendar year. Balances can then be submitted to the other parent's plan.
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Eligibility	<p>To be eligible for these benefits, you must be a resident of Canada and meet the following conditions:</p> <ul style="list-style-type: none"> • You are a permanent employee • You are actively working for CAPREIT at least 24 hours per week • You have completed 3 months of continuous employment (waiting period) • You have provincial health coverage
Evidence of Insurability	<p><u>Basic Life</u></p> <p>Proof of good health is required if the option you select results in Life Insurance coverage greater than \$600,000. If you are re-enrolling, and you have coverage greater than \$600,000, proof of good health will be required if your income increases by greater than 10% or you select an option that increases your current coverage by greater than 10%.</p> <p><u>Optional Life</u></p> <p>Proof of good health is required for any amount of optional life coverage for you and/or your spouse. If re-enrolling, any increase in coverage requires proof of good health.</p>
Life Status Changes	<p>You must remember to change your benefits and coverage within 31 days of a “life status change”. A life status change is when you have a change in your marriage or common-law union; divorce; separation or death of a spouse; birth; death; adoption or change in custody of a child; loss of benefit coverage from a spouse’s employer.</p>

<p>HealthCare Spending Account (HCSA)</p>	<p>A Healthcare Spending Account (HSCA) allows plan members to pay for medical products and services not fully covered or not covered at all under their group policy for themselves and eligible dependents. An HCSA is similar to a bank account. When you submit an HCSA claim, either for yourself or for a dependent, you will be reimbursed for eligible expenses, up to the balance in your account.</p> <p>These credits can be used throughout the year to pay for or top up coverage for healthcare or dentalcare expenses. For example, hearing aids, eye glasses or braces.</p> <p>The HCSA pays out only on the balance remaining after all other insurance plans have paid out. That includes your basic plan, your spouse's plan and provincial plans. For that reason, you first submit your claim to all other sources before the HCSA. Then submit a claim for any outstanding balance to the HCSA.</p> <p>Directed credits will be allocated to your HCSA in a lump sum on August 1st. Any unused credits from the previous plan year will be carried forward for one plan year. If not used at that point they will be forfeited.</p> <p>Any claims incurred in the previous plan year (August to July) must be received and processed prior to September 30 to be eligible for reimbursement.</p> <p>Credits can only be used to provide reimbursement for eligible medical expenses under the Canadian Income Tax Act (http://www.cra-arc.gc.ca/E/pub/tp/it519r2-consolid/it519r2-consolid-e.html)</p>
<p>Tax Talk</p>	<p>CAPREIT is providing flex dollars to purchase the "Core Coverage". Company-provided annual flex dollars used to pay for Health, Dental, AD&D, LTD and Health Care Spending Account are not subject to taxes. However, in Quebec, flex dollars are subject to provincial income taxes with the exception of Long Term Disability.</p> <p>Life and AD&D insurance paid with flex dollars is considered company paid and therefore is considered a taxable benefit.</p>
<p>Life, AD&D and Long-Term Disability Benefits</p>	<p>Your Life, AD&D and Long Term Disability benefits are mandatory coverage. This means that you are not entitled to opt out of these benefits.</p>
<p>Health & Dental Benefits</p>	<p>You may opt out of the health, dental, vision, paramedical and prescription drugs, as long as you are able to provide proof that you are covered for these benefits under your spouse's plan.</p>