

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

This document provides answers to some of the questions that have been asked regarding the new program and may be updated periodically.

Resources and General Questions

1. Who can I contact for support if I have questions regarding the new Flex Benefits and Retirement Program (the “program”)?
 - a. You may call a Manulife representative from Monday to Friday between 8:00 a.m. and 8:00 p.m.* (ET) toll-free at +1.855.350.5592 or you may simply visit the Plan Member Secure Site at www.manulife.ca/exp to send a confidential e-mail.
*(*in Quebec, the customer service hours for Benefits only, are from 8:00 - 5:00 p.m.)*
 - b. Manulife representatives are available for technical assistance, benefits and retirement enrolment and coverage, benefits claims and eligibility enquiries.

2. What reference materials are available regarding the new Program?
 - a. The Flex Benefits and Retirement Enrolment Guides that were provided to you during the employee information sessions (or sent to your office if you were unable to attend) include a wealth of information on the new program.
 - b. You may also refer to the Manulife Financial secure website by logging into your account(s) at www.manulife.ca/exp for additional information on your coverage, including the “Benefits-at-a-Glance” document which outlines the different levels of coverage available to you.

3. What if I can’t find the answers that I am looking for?
 - a. Your Human Resources Team is always available to help should you need additional assistance – send an e-mail to hrsupport@exp.com

4. I forgot to print off the beneficiary designation forms and mail them into Manulife. What do I do?
 - a. You can always find and print the beneficiary forms off of the Manulife website. There are three (3) forms in total. One to designate a beneficiary for your life insurance and one each for your RRSP and DPSP contributions:
 - **For Life and AD&D insurance**, enter in your account on the Group Benefits side, click on “FORMS” (upper-middle of screen); under “Administration Forms” click on “Find a Form”; use the “Change of Beneficiary, Life/ADD benefit” Form.
 - **For RRSP and DPSP**, on the Group Retirement side click on « Plan Information »; on the left hand side, click on « Forms to Manage your Account »; in both the RRSP and DPSP columns there are forms called

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

« Change Form ». Those are the forms that should be used to designate the beneficiaries, even if it says « beneficiary change ».

- b. It is important to designate a beneficiary. Otherwise your assets would go directly to your estate. Naming a beneficiary ensures that your assets go directly to those you designate.
5. When will the first payroll deduction take place for the new Flex Benefits and Retirement program?
- a. All Quebec employees – July 25, 2012
 - b. All Atlantic employees – July 20, 2012
 - c. Central & Western Salaried – July 13, 2012
 - d. BC Hourly – July 13, 2012

Benefits (Health and Dental)

1. When will I be covered under the new Program?
 - a. The new Program takes effect on July 1, 2012.
 - b. You (and your spouse and your dependents, if you choose to enroll them) are covered from your date of hire if after July 1, 2012.
2. How much will my new benefits cost me?
 - a. The cost of your benefits will depend on the level of coverage you select. When you enroll online, you will have the opportunity to review the costs associated with each benefit and the number of flex credits allocated per benefit.
3. What are the tax implications of the new Program?
 - a. Tax implications vary by province. You may refer to the “Tax Tips” section on the enrolment site for more information. Please also refer to the Life Insurance and Long-Term Disability section of this document.
4. Can I make changes to my benefits coverage after the enrolment period?
 - a. Changes to your benefits coverage can only be made once a year within the designated “enrolment” period. The only exception is if you have a life event (see list of qualifying life events on p. 13 of your benefits enrolment guide or call Manulife Customer Service for details).
 - b. Any change in coverage as a result of a life event must be made within 31 days of the event.
5. What happens with the calculation of the maximum covered expenses under the new Program?

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

- a. Calculations start at zero on July 1. Manulife will not be provided with your claims history with the prior insurer.
6. Will medication, which was previously granted special approval for coverage, be grandfathered under the new Program?
- a. You will have to go through an approval process with Manulife for these types of medications. There are two (2) situations: Brand Medication and Prior Authorization Medication.

i) Brand Medication:

The new Program is a Mandatory Generic Pricing Plan. With this type of plan, even if the doctor indicates “No Substitution” on the prescription, the expense will still be cut back to the price of the lowest cost equivalent.

However, there is an exception process to allow the Reasonable and Customary (R&C) cost of the prescribed product when the doctor indicates no substitution and there is medical information to support it. This is only administered on an appeal basis.

After the medication reimbursement has been reduced to the lowest cost equivalent, the onus is on you to contact Manulife to appeal the cutback. Manulife will send you a form that you will complete with your physician, indicating the medical reason why the brand name drug is required. The form will be reviewed and Manulife will determine whether the exception can be approved. If approved, the exception will be coded in your personal file and payment will be made at the R&C price of the Brand Medication. If declined, payment will continue at the generic drug cost.

ii) Prior Authorization Medication

In this case also, the drug will be declined. The same appeal process must be followed in that the onus is on you to contact Manulife. You will receive a letter/form with the information required. Once the information requested is received by Manulife, it will determine whether the prior authorization drug can be approved. If approved, the exception will be coded in your personal file and payment will be made at the R&C price of the medication. If declined, the plan will continue to decline the medication.

7. Does Manulife facilitate direct-pay for dental and health expenses or will I have to first pay for these expenses and then submit a claim?

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

- a. You will receive a direct-pay drug card for prescription drugs and other eligible health care and dental expenses. Your pharmacist (and dentist if set up for direct payment) will use this card to cover the costs that are included in your plan.
 - b. Your direct pay card will be mailed to your home in June. If you do not receive your drug card before July 1, you can print off a temporary drug card from the Manulife website.
8. Can I coordinate benefits with my spouse in order to potentially cover 100% of costs?
- a. Yes, it is possible to coordinate with spousal benefits for 100% coverage.
9. If I have Health and Dental coverage under my spouse's plan, what is considered mandatory under **exp's** benefits Program?
- a. Life insurance of 1 x salary, Option 1 for Long-term disability, and Option 1 for Health (no coverage except emergency travel medical insurance when travelling outside your home province) are mandatory benefits.
 - b. *In Quebec*, the above benefits are also mandatory. However, by law, unless you provide evidence that you are insured under your spouse's plan, you must select option 2 or higher for health coverage for you and your family.
10. Can Manulife provide the out-of-pocket expenses I have incurred with my prior insurer for my records?
- a. No. This information will not be automatically transferred. It is recommended that you request your information from the previous insurer.
11. *Legacy Trow only*: Will the amount in my previous Health Care Spending Account (HCSA) be transferred over to Manulife?
- a. Yes, any unused amounts in your previous HCSA will be transferred to Manulife in July 2012.
12. *In Quebec*: My previous insurer offered trip cancellation insurance. Will this be offered by Manulife?
- a. No, Manulife does not offer this type of coverage. The previous insurer (in Quebec) will cover trip cancellation until June 30, 2012
 - b. You are, however, covered by Manulife for emergency medical expenses and costs of returning home in case of an illness/injury when travelling.
13. *In Quebec*: for employees of over 65 years old, is the RAMQ remaining the 1st payer?
- a. No. you are covered by the **exp** Program until your retirement date if enrolled in the program.
 - b. Also, the spouse of an employee over 65 remains covered by the **exp** Program until the employee's retirement date (so must be enrolled in the Program).

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

Life Insurance and Long Term Disability (LTD)

1. I was told that **exp** was offering enough flex credits to cover Option 1 Life insurance. Why do I see a payroll deduction for that benefit in the Manulife online enrolment tool?
 - a. You receive enough flex credits to cover Option 1 Life Insurance. However, these credits are allocated towards the cost of your Health and Dental Benefits first, because if they were used to pay for life insurance they would be considered a taxable benefit*. By allocating these credits to your Health and Dental Benefits first, with any leftover credits then being put towards your Health Care Spending Account or RRSP, you avoid the tax impact.
*(*note that under Quebec Tax Law, all flex credits are taxable benefits)*
2. If I have an existing life insurance policy with Manulife, can this be accessed under the same **exp** login?
 - a. No, an individual life insurance policy cannot be accessed under the **exp** login. The **exp** Program is a group program and is completely separate from any individual policy you may already have.
3. My previous life insurance coverage was more than 1 x pay. Can I receive the same coverage that I previously had without having to provide evidence of insurability (EOI)?
 - a. If your previous life insurance coverage was more than 1 x pay, Manulife will grandfather this amount (rounded to the next highest level of coverage under the new Program) without having to provide EOI.
 - b. If you elect to take less coverage than you previously had, and choose at a later time to increase this coverage, EOI will be required.
4. What happens if I am asked to provide evidence of insurability (EOI)?
 - a. To provide EOI, you simply have to complete a form available on the enrolment site. You will not have to consult your physician to complete this form.
 - b. Should Manulife request further testing, they will provide you with instructions. Any costs associated with these further tests will be covered by Manulife.
 - c. Should you be denied coverage following these tests and wish to submit another form or further tests, Manulife will not cover these costs. Furthermore, Manulife won't cover the costs should EOI be required with respect to a request to increase your life insurance due a life event if the request is received more than 31 days after the life event).

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

5. Will my previous optional life insurance coverage be grandfathered into the new Benefits Plan?
 - a. Yes, your previous optional life insurance coverage will be grandfathered into the new Benefits program and will be visible when you enrol on-line.
 - b. It is important to note that optional life insurance coverage is only available if you select Option 3 for Basic Life.

6. For life insurance and LTD, what will be the basis of calculation of the premiums and for the payments?
 - a. Premiums are calculated based on current salary and age for life insurance;
 - b. Any benefits which become payable are based on the salary at the time of the event.

Accidental Death and Dismemberment (AD&D)

1. Will my previous AD&D coverage be grandfathered into Manulife?
 - a. No, previous levels of AD&D coverage are not grandfathered as there is no evidence of insurability required for this benefit.
2. Why is the AD&D coverage provided by another carrier?
 - a. This coverage is provided by a company named Chartis because they specialize in this type of insurance.
3. Is there a document that tells me what the benefits and coverage is for AD&D?
 - a. Yes, you can find the AD&D booklet provided by Chartis on our intranet.

Registered Retirement Savings Plan (RRSP) and Deferred Profit Sharing Plan (DPSP)

1. **Can I leave my RRSP and DPSP accounts with my previous provider and start a new account with Manulife?**
 - a. All RRSP and DPSP accounts are being transferred to Manulife.
 - b. You may withdraw your funds prior to the date of transfer. However, transfer fees will apply. Contact your current provider if you are considering this.
 - c. Before doing so however, you should review the investment options under the new Plan as there are a number of funds available and the investment management fees for these funds are very competitive.

2. Will my spousal RRSP (if applicable) account be transferred over at the same time?
 - a. Yes.

3. What is the calculation basis for contributions to the RRSP and DPSP?
 - a. Your base salary only.

4. I am concerned that I will be losing money with this transfer. Is this the case?

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

- a. No. The amount of money being transferred is the value of your account at the time of transfer.
5. Under my previous plan I contributed more than the annual % maximum contribution permitted under the new plan. Can I maintain my current level of contribution?
 - a. The new Plan allows for employee contributions of up to 3% of base salary with a corresponding company match (to the DPSP). You may also choose to contribute an additional 12% of your base salary with no company match.
 - b. **Exp** has limited the overall contribution limit to 18% (the maximum allowable by the Canada Revenue Agency) as we have no way of knowing or tracking “unused” contributions you may have available from prior years.
6. I understand that I lose the DPSP contributions if I leave the company before one year service?
 - a. **Exp**'s contributions into the DPSP are made on a bi-weekly basis along with your contributions. However, these “vest” after 1 year of service. Should you terminate your employment before the end of 1 year of service, these funds would not be payable to you.
 - b. It is important to note that if you already have one year service with **exp** as of July 1, 2012, or with a prior employer in the case of an acquired company, this will not affect you.
7. Can I make withdrawals from my RRSP account?
 - a. Yes, you may make withdrawals from your RRSP account; however this will result in a six month waiting period to “re-join” the plan which is waived only for Home Buyers or Lifelong Learning Plan withdrawals.
8. When will I have access to the DPSP contributions?
 - a. No withdrawals of the DPSP contributions are permitted prior to termination of employment, not even for the Home Buyers or Lifelong Learning Plans (unlike the RRSP).
9. What if I failed, or chose not to enroll in the new RRSP and DPSP?
 - a. If you did nothing at time of enrolment, your assets will be placed into the default fund and you will not contribute to the new plan, therefore you will not receive the employer contribution.
 - b. If you enrolled in the new plan by making a choice of contribution to the RRSP but no choice of investment, your contributions (and **exp**'s) will be invested in the default fund.

What if I changed my mind and wish to fully enroll or make some changes?

Frequently Asked Questions on the new Flex Benefits and Retirement Program for employees in Canada

- c. Starting July 1, if you wish to make investment selections/changes to either the RRSP or DPSP, you must log into the Group Retirement site and follow the instructions to make your changes.
 - d. Starting July 1, if you wish to make a choice of/change your contribution to the RRSP, there will be instructions on the portal with a link to the Group Benefits site. You will log into the Group Benefits site and then select “Manage my Plan” and there will be an option to change the RRSP contribution.
 - e. If you did not make a choice of contribution at the time of enrolment and want to make one to be in effect July 1, send your request to Chantal Mercier at: chantal.mercier@exp.com before June 27, 2012.
10. Do the stated Investment Management Fees (IMFs) for the investment funds also include the IMFs in the underlying mutual funds?
- a. The stated IMF for these funds are the total fees.
11. *In Quebec*: Is my Tax-Free Savings Account (TFSA) being transferred to Manulife?
- a. No. Your TFSA will remain with Standard Life. Standard Life will contact you to let you know what options are available to you. At this time **exp** is not offering a TFSA under the new plan.