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FEATURE

## Maternity leave & employment insurance

By Kandy Cantwell, GBA, Partner

Expecting a baby is time of great joy, but it raises a myriad of questions, not the least of which concern employment benefits. In this article we explore the various benefits to be considered by both the expectant employee and the employer.

### Maternity leave

According to the 2007 Human Resources and Social Development Canada Labour Laws and British Columbia Ministry of Labour, all eligible female residents of BC are entitled to 17 weeks of unpaid maternity leave. The birth mother must provide her employer with a written letter of expected leave of absence no later than four weeks before the leave of absence will commence or, when an adopted child will be placed, a letter and/or an attesting medical certificate or the name and address of the adoption authority.

To alleviate the financial impact of going on leave, birth mothers may apply for employment insurance (EI). To be eligible for EI, the natural birth mother is required to have worked 600 hours at her place of employment over a span of 52 weeks prior to the official application. She is then entitled to 55% of her weekly insurable earnings to a maximum of \$457 a week, and for a total of 15 weeks.

Of course many circumstances can affect the amount and length of the EI permitted and received, such as labour complications affecting the mother or child, low family income, sickness or disability.

For more information or details regarding certain conditions, please visit [servicecanada.gc.ca](http://servicecanada.gc.ca) and click on Life Events / Having a Baby.



### Parental benefits

Parental leave is a benefit payable to either biological or adoptive parent while caring for a newborn or adopted child. Available during the 52 weeks following the birth or placement of the child, the maximum period for which paternal benefits are paid is 35 weeks. (Most combine this benefit with the 17 week maternal benefits for a total of 52 weeks.)

To qualify for this benefit, the mother or partner is required to:

- Have previously worked 600 hours in the last 52 weeks or since their last claim.
- Sign a statement declaring the birth date of the newborn or placement of the adopted child. In the event of an adoption, the name and address of the adoption authority is also required.
- Provide the name and SIN number of the other parent.

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Once a person is eligible for parental benefits there are a number of claim options available to them:

- The mother and partner can share and experience the parental benefits for the full 35 weeks.
- After the maternity leave weeks have been completed, the mother may return to work letting the partner take the full 35 weeks of parental benefits.
- The 35 weeks can be shared by returning to work and allowing the partner to take the remaining weeks left.
- A parent may take a few weeks and go back to work and then realize that they would still like to be home with their child. It is possible to use the rest of the parental benefits if they do not exceed the 52 weeks since the birth of the child or placement.

Various circumstances may change the amount of time available to families for parental benefits. For more information visit the Service Canada website.

### Supplemental Unemployment Benefit Program

The Supplemental Unemployment Benefit (SUB) Program allows an employer to subsidize an employee's weekly earnings while receiving EI benefits. The subsidy may not exceed 95% of the employee's regular employed weekly earnings.

To put the SUB program in place, an employer must apply in advance to Service Canada outlining the circumstances in which the employer wishes to subsidize an employee's income. Examples include maternity and paternity leave as well as sick leave and compassionate leave. An employer may apply to extend the program to all employees or for only certain classes of employees.

Prior approval by Service Canada is required for supplementing EI benefits for all circumstances with the exception of maternity and paternity leave. Should an employer wish to supplement maternity or paternity leave, a note on the Record of Employment will suffice.

For general information or assistance in applying for the SUB program, visit the Service Canada website.

### Maternity & parental leave employee benefits

When an eligible employee has decided to take maternity or parental leave, they are entitled to continue extended health, dental and retirement benefit programs.

In a cost-sharing situation, it is mandatory for the employer to inform the employee of their right to continue benefits. If the employee chooses to continue paying their portion of the monthly premium, the employer must continue to pay the company's portion of the cost-shared premium. Where the employer pays 100% of the premium, the employer must continue all benefits while the employee is on leave. 🇨🇦

*Kandy Cantwell specializes in employee benefits and brings a values-based approach to clients of all sizes.*



## Planning a trip to Cuba?

By Natasha Norbjerg, Client Service Representative

With more and more Canadians vacationing on the sunny beaches of Cuba, it's important to remind travelers of the need to protect themselves in the event of illness or accident.

Since May 1, 2010, travelers must present proof of health insurance in order to enter Cuba. The Government of Cuba will accept provincial government health insurance cards from Canada or proof of private travel insurance, according to recent information from the Travel Health Insurance Association.

Those who do not have proof of insurance coverage may be required to obtain health insurance from a Cuban insurance company when they arrive.

Although proof of Canadian provincial health insurance is sufficient for visitors to enter Cuba, MSP may cover only part of the costs and will not pay the bill up-front, as is required in that country. Talk to your plan administrator or contact your Montridge service representative to determine what your benefit plan will cover while traveling abroad. It is important to note that Cuban authorities will not allow anyone with outstanding medical bills to leave the country.

#### Helpful tips:

- Carry details of your insurance with you. Also, tell your travel agent, a friend or relative, and/or traveling companion how to contact your insurer.

- Do not rely solely on MSP or your benefit plan to cover all expenses if you get sick or are injured while abroad. It may cover none or only a portion of the costs.
- Get a detailed invoice from the doctor or hospital before you return to Canada. Always submit original receipts for any medical services or prescriptions received abroad. Most insurance companies will not accept copies or faxes.

Enjoy your holiday, but protect yourself first. 🇨🇦

*As a Client Service Representative and newest member of Montridge, Natasha Norbjerg handles the day-to-day inquiries and paperwork from our benefit clients.*

# Montridge Investment Counsel Ltd. 2010: Q2 Market Edge

By Andrea Lee, CFA, Portfolio Manager

On June 1, 2010, the Bank of Canada (BoC) raised its overnight target rate by 25 basis points from a record low of 0.25% to 0.50%, its first increase since July 2007. The BoC said the decision “still leaves considerable monetary stimulus in place, consistent with achieving the 2 percent inflation target in light of the significant excess supply in Canada, the strength of domestic spending, and the uneven global recovery” indicating that the central bank’s preference would be to further raise interest rates from their emergency low levels.

However, the BoC’s forward-looking statement warned that further reductions in monetary stimulus (i.e. rate increases) would need to be “weighed carefully against domestic and global economic developments.” This is a signal that, contrary to the assumptions of many, interest rates will not be automatically increased at every meeting during this delicate stage in the recovery. Nevertheless, there is no doubt that a new cycle of Canadian monetary tightening has begun and, unless financial market conditions deteriorate substantially, further rate hikes will proceed cautiously. The next fixed announcement date is on July 20, 2010.

In contrast, at its June 23rd meeting the US Federal Reserve left the federal funds rate unchanged at the zero to 0.25% range and reaffirmed its intention to keep the rate exceptionally low for an extended period. The Fed indicated that financial conditions have become less supportive of economic growth, mainly due to developments overseas.

This quarter, top newsmakers have included the euro crisis and the sovereign debt crisis. To address the sovereign debt crisis, a communiqué from the recent G-20 Summit held in Toronto contained a pledge for G-20 nations (excluding Japan) to “halve deficits by 2013 and stabilize or reduce government debt to GDP ratios by 2016.” While these targets are only guidelines, they represent a commitment by world leaders to get their financial houses in order.

If you would like to speak about the markets or your situation, please contact your portfolio manager, Andrea Lee, at 604.682.1603, ext 236. 📞

*Andrea Lee is a Chartered Financial Analyst and manages portfolios for Montridge Investment Counsel Ltd.*



“Every dollar you spend is a vote for what you value in life.” ~Anonymous

Index Name	Region	Jun. 30, 2010 Close	Year-to-Date Performance (to Jun. 30/10)	Previous YTD Performance (to Mar. 31/10)
TSX Composite	Canada	11,294	-3.85%	2.48%
S&P 500	USA	1,030	-7.57%	4.87%
Dow Jones	USA	9,774	-6.27%	4.11%
FTSE 100	UK	4,916	-9.16%	4.93%
Nikkei 225	Japan	9,382	-11.04%	5.15%
Hang Seng	Hong Kong	20,128	-7.97%	(-2.89%)
SENSEX	India	17,700	1.35%	0.36%

The Canadian dollar ended the quarter at \$0.94 USD.

# Administrative updates

Compiled by **Natasha Norbjerg**, Client Service Representative

## BBD

- Effective November 1, 2010, BBD will be moving the life and disability components of their Benepac<sup>®</sup> plan to the SSQ Financial Group (life, short-term disability and long-term disability) and Echelon General Insurance Company (accidental death & dismemberment, stop loss and travel coverage). SSQ Financial Group and Echelon offers better distribution alignment, competitive expenses, and greater plan design flexibility. No re-enrollment will be necessary for plan administrators and BBD will provide information and notifications as it becomes available.
- BBD is proactively helping employers control long term costs while remaining flexible, and therefore will transition all Green Shield drug plans to a generic substitution offering beginning with the November 1, 2010 renewals. Further information will be provided with renewal packages.

## Sun Life

- Effective May 17, 2010, exiting plan members applying to continue their life coverage with My Life CHOICE can enhance their life coverage with accidental death (AD) coverage. When plan members call the Client Solution Centre to continue the amount of their current group life coverage with My Life CHOICE, AD will be offered to complement their life coverage. AD coverage is available for new applicants to a maximum of \$250,000 or the amount of My Life CHOICE coverage, whichever is less.
- After June 25th, 2010, health and dental claims will no longer be processed at the Edmonton office. Following this date, members will be asked to send their paper health and dental claims, as well as other correspondence, to the following address:

**Sun Life Assurance Company of Canada**  
**PO Box 2010 STN Waterloo**  
**Waterloo, ON**  
**N2J 0A6**

## Manulife

- Understanding that mental health issues have a direct impact on the workplace, Manulife has created Workplace Solutions for Mental Health as part of the WellConnected<sup>®</sup> disability and absence management program. Workplace Solutions for Mental Health is a comprehensive framework that provides you with practical tools, resources, support and services to assist in an employee's recovery and return to work. Visit Workplace Solutions for Mental Health at [www.manulife.ca/wellconnected](http://www.manulife.ca/wellconnected) to find out what's new.

## Great-West Life:

- Great-West Life has signed an agreement with TELUS Health Solutions for the development and implementation of the first national eClaims exchange service for extended health care providers across Canada. Once implemented, the extended health care provider community will be able to submit electronic payment reimbursement requests directly to Great-West Life, right at their point of service, offering significantly increased convenience and flexibility for plan members while reducing the environmental impact of paper claims. The initial release, planned for the second half of 2010, will focus on providers such as physiotherapists, chiropractors, and vision care providers, before broadening out to include the wider range of health care providers. 🌟

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