

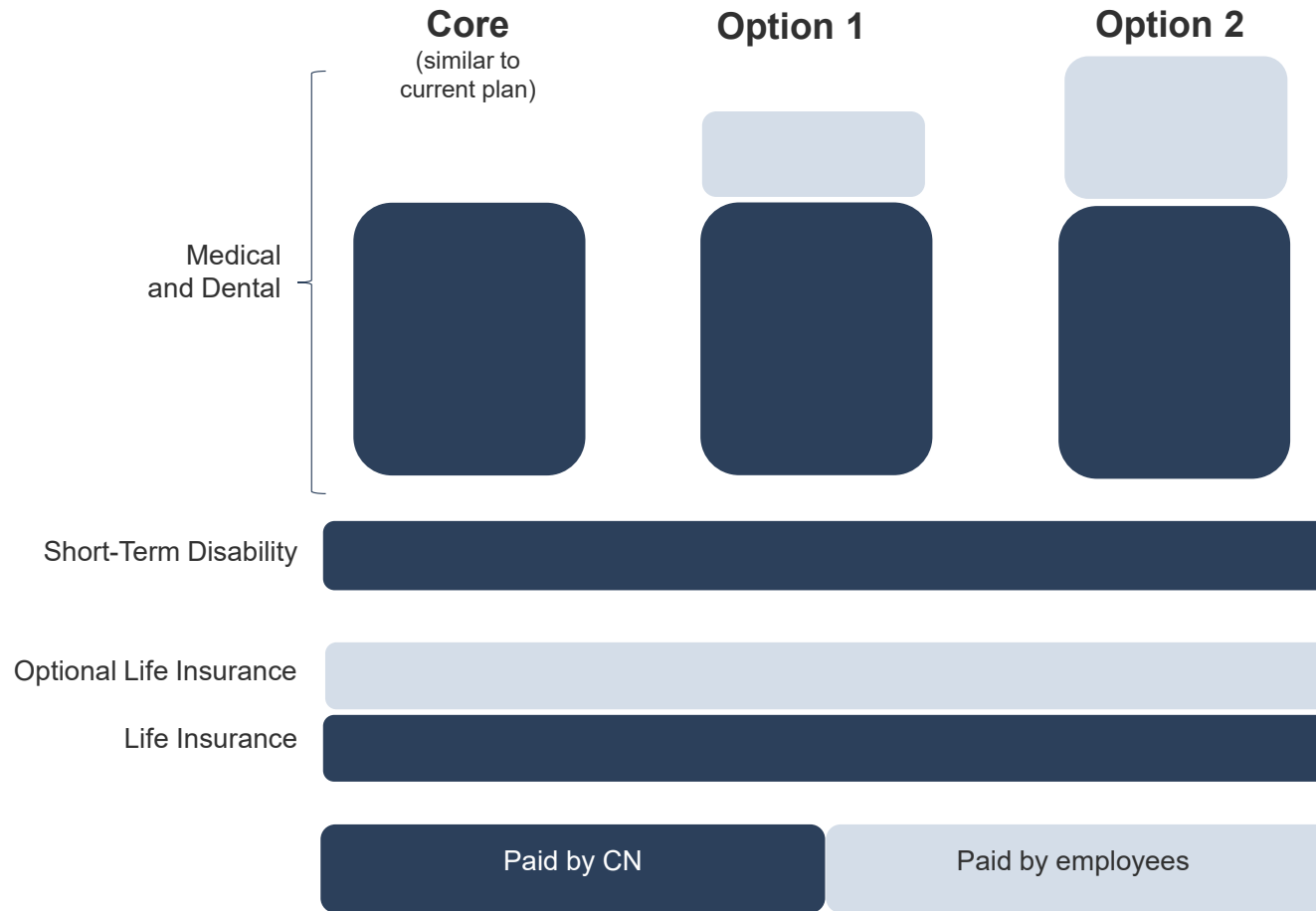
# CN *FLEX* Benefit Plan

United Steelworkers Local 2004-  
Maintenance of Way - Agreement 10

February 2024



# Group benefits flexible program



# Group benefits flexible program

- Within a flexible program, you have the opportunity to enjoy coverage that meets YOUR needs:
  - Choice of 3 coverage options under Medical/Dental, ranging from the core option to comprehensive coverage
  - More comprehensive coverage means a larger list of eligible expenses and higher reimbursement level and maximum
  - You can also choose the status (single or family) that suits your needs if you want to cover your spouse and your dependent children
  - Opportunity to modernize benefits offerings that aligns with market trends and employee needs
- The costs of your plan is shared between you and CN
  - CN assumes the cost of the Core option
  - No employee contributions for employees who choose the Core option
  - Employees pay the excess cost between the selected option (option 1 or 2) and the Core option
  - The more comprehensive the coverage, the higher the cost

# Medical plan details

Benefits	Current	Core (Paid by CN)	Option 1	Option 2	Comments
<b>Medical Care</b>					
Reimbursement	80%	80%	85%	90%	
Annual deductible	\$25 per family	None	Same as Core	Same as Core	
Prescription Drugs					
- Prescription deductible	\$3	\$3 indexed annually	Same as Core	Same as Core	Indexed annually based on cumulative % increase in average prescription cost
- Generic substitution	Yes	Yes and biosimilar	Same as Core	Same as Core	
- Smoking cessation drug	Yes, when prescribed	Yes max of \$500 per year	Same as Core	Same as Core	
- Out of pocket max	No	Yes \$10K per year	Same as Core	Same as Core	Less if required by Income Tax Act
Hospital	100% (semi-private)	100% (semi-private)	Same as Core	Same as Core	
Emergency medical out-of-country	80%	100%	Same as Core	Same as Core	
Private Duty Nursing	80% lifetime max of \$10K	80% max of \$10K per year	85% max of \$10K per year	90% max of \$10K per year	
Laboratory Tests	80% max of \$500 per year	80% max of \$500 per year	85% max of \$750 per year	90% max of \$1,000 per year	
Lifetime max	\$75,000	None	Same as Core	Same as Core	Not applicable to drugs for QC residents

# Medical plan details con't

Benefits	Current	Core (Paid by CN)	Option 1	Option 2	Comments
<b>Paramedicals</b>					
Physiotherapist & Chiropractor	80% max of \$2,000 per year	80% max of \$2,000 per year	85% max of \$2,000 per year	90% max of \$2,000 per year	Combined max for both
Psychologist & Psychotherapist	80% max of \$500 per year	80% max of \$1,000 per year	85% max of \$1,500 per year	85% max of \$2,000 per year	Combined max for both
Massage Therapist, Osteopath & Naturopath	None	80% max of \$20 per visit and max of \$150 per year	85% max of \$300 per year	90% max of \$500 per year	Combined max for all other professionals listed
Hearing Aids (every 5 years per person)	80% max \$300 or \$500 (children under 18)	80% max \$300 or \$500 (children under 18)	85% max of \$500 per year	90% max of \$750 per year	
<b>Vision Care</b>					
Eye examination (every 24 months)	80% max of \$25	80% 1 exam (no max)	85% 1 exam (no max)	90% 1 exam (no max)	
Eye glasses/contact lenses (every 24 months/12 months children under 18)	80% max of \$250	80% Max of \$250	85% Max of \$300	90% Max of \$350	
<b>Health Care Spending Account</b>					
HCSA and Wellness account	\$25 per month up to \$300 per year for employees meeting the eligibility conditions	\$300 per year for employees meeting the eligibility conditions- credited at the beginning of each calendar year	Same as Core	Same as Core	New hires and transfers will receive prorated credits

# Dental plan details

Benefits	Current	Core (Paid by CN)	Option 1	Option 2	Comments
<b>Dental Care</b>					
Annual deductible	\$40 per family	\$40 per family, indexed annually	None	None	Annually indexed based on cumulative % increase in published fee guides. The annual increase will be calculated based on the non-weighted average for all provinces with unionized employees.
Fee Guide	2024 provincial Fee Guide	Current fee guide	Same as Core	Same as Core	
Preventive services	100% recall exams every 9 months	100% recall exams every 9 months	100% recall exams every 9 months	100% recall exams every 6 months	
Basic services	100%	100%	100%	100%	
Endodontics & Periodontal	80%	80%	80%	100%	
Major restorative services	50%	50%	Same as Core	60%	
Combined maximum (per covered individual)	\$2,000 per year effective Jan, 1, 2023	\$2,000	\$2,500	\$3,000	
Orthodontic	50% lifetime max of \$750	50% lifetime max of \$750	50% lifetime max of \$1,000	50% lifetime max of \$2,000	

# Changes to Short-Term Disability (STD)

Benefits	Current	New	Comments								
<b>STD</b>											
Waiting Period	3 days	7 days	Mandatory use of the 10 sick days provided as per the Canadian Labor Code to cover the waiting period and during the coverage period								
Coverage	70% of weekly pay up to a max of \$830	70% of weekly pay, up to the weekly MIE 30% of excess weekly pay over the weekly MIE No maximum <table border="1"> <thead> <tr> <th>Earnings level</th> <th>Weekly STD amount</th> </tr> </thead> <tbody> <tr> <td>\$85,000</td> <td>\$977</td> </tr> <tr> <td>\$120,000</td> <td>\$1,179</td> </tr> <tr> <td>\$150,000</td> <td>\$1,352</td> </tr> </tbody> </table>	Earnings level	Weekly STD amount	\$85,000	\$977	\$120,000	\$1,179	\$150,000	\$1,352	The maximum insurable earnings (MIE) is the income level up to which Employment Insurance (EI) premiums are paid (MIE in 2024 is at \$63,200). It determines the maximum rate of weekly benefits paid for all types of benefits under the EI program  To be applicable to maternity top-up payment
Earnings level	Weekly STD amount										
\$85,000	\$977										
\$120,000	\$1,179										
\$150,000	\$1,352										
Duration	Maximum 41 weeks 1 <sup>st</sup> 15 weeks → paid by Insurer Next 15 weeks → EI pays and Insurer top up Last 11 weeks → paid by Insurer	Maximum 41 weeks 1 <sup>st</sup> 15 weeks → paid by Insurer Next 26 weeks → EI pays and Insurer top up	<div style="border: 1px solid red; padding: 5px;"> <p><b>Detailed Example</b></p> <ul style="list-style-type: none"> <li>MIE: \$63,200</li> <li>Annual Earnings: \$85,000</li> <li>Annual Amount: 70% x \$63,200 + 30% (\$85,000 - \$63,200) = \$50,780</li> </ul> <p>• <b>Weekly STD amount:</b> \$50,780 / 52 = <b>\$977 /week</b></p> </div>								

# Changes to Life Insurance

- Basic Life Insurance

- The benefit is maintained and carved out of the flexible plan (same coverage for all employees)
- 100% paid by CN
- **Current coverage:**
  - \$55,000
- **New coverage:**
  - Increase of \$1,000 per calendar year for each year of the duration of the CBA (\$56,000 for January 1, 2024)

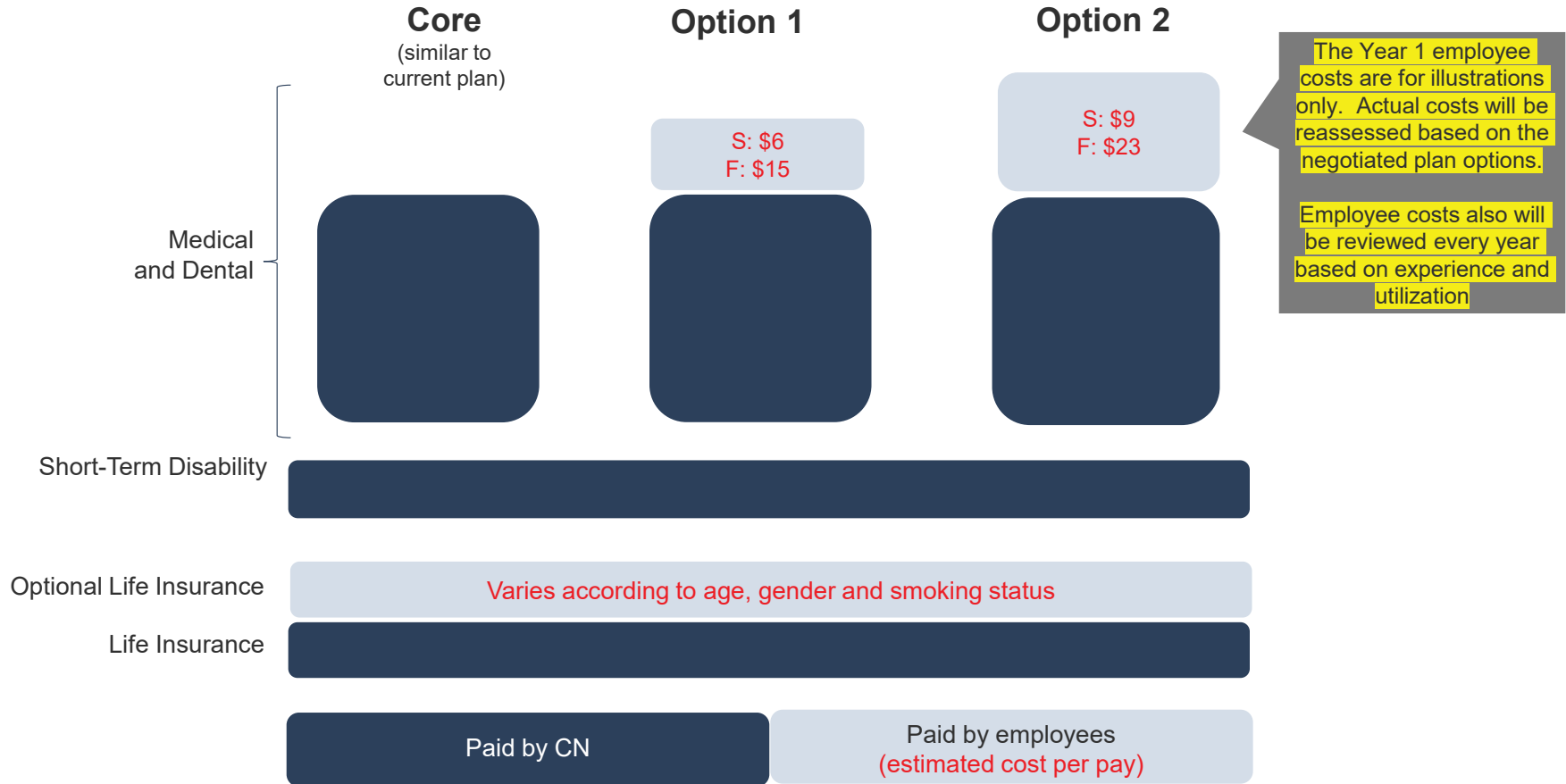
- Optional Life Insurance

- Option of adding coverage on a voluntary basis with optional life insurance
  - Cost varies depending on age, gender, smoking status
- Paid entirely by employees
- **Current coverage:** Units of \$25,000 up to a max of \$250,000 available to employees only
- **New coverage:** Add units of \$25,000 up to a max of \$250,000 for spouse and units of \$5,000 up to \$25,000 for children



# Employee costs

## Estimated cost per pay period for year 1



# Enrolment and modification rules of a flexible program

- Flex plan implementation date is 1 year following the ratification date
  - Any Core option changes under Medical and Dental plans to be implemented the first day of the month following ratification date until implementation of Flex program
- At the initial enrolment (1<sup>st</sup> year)
  - Medical/Dental will be defaulted to the core options; however, employees may choose to buy up to Option 1 or 2
  - Employees may choose single or family coverage
- Re-enrolment period will be around November each year for the January 1<sup>st</sup> effective date
- Benefit year for claims provisions (maximum, deductible, etc.):
  - January 1 to December 31
- Benefits costs will be assessed every year based on plan utilization. Employee premium contributions may be adjusted accordingly effective January 1st each year
- Upgrade/Downgrade your Medical/Dental option
  - Within 31 days following a life event (birth, marriage, divorce, etc.)
  - If option 2 is selected, it will be locked in for 2 years. Employees may buy-down after 2 years
- Change in Optional Life Insurance
  - Anytime, subject to the insurer's approval



