



THE DUPUIS LANGEN GROUP  
SOLUTIONS WITH CLARITY

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# Benefit brief

THE EMPLOYEE SOLUTIONS NEWSLETTER FOR THE CLIENTS  
AND FRIENDS OF DUPUIS LANGEN

## COMMUNICATION IS THE KEY

Employers have a responsibility to properly administer their employees' health insurance plans. More than just arranging to have a plan in place and paying the insurance premiums, employers have to ensure changes in employees' circumstances are communicated to the insurance company in a timely manner so that necessary adjustments can be made to their coverage and premiums.

**What happens when they don't?** Well here's what happened in one case, reported in the January 21, 2014 issue of *Business in Vancouver*. Roxanne Nielsen is suing Tim Horton's franchise, Calecur Enterprises, for not communicating her wage increases to Standard Life for many of the 12 years she worked for them. Roxanne's salary in 2003 with the fast food franchise was \$25,056. Over the years she was repeatedly promoted, and by 2010, when she was disabled with a hip injury, she was earning \$48,493. Unfortunately she was still insured based on her 2003 salary of \$25,056.



In her lawsuit, Nielsen states that Calecur "failed, neglected or refused to advise Standard Life of [her] salary increases since 2003 and had failed to deduct and remit the premiums appropriate to her increasing salary." Standard Life is now paying Nielsen a disability benefit of 60% of her 2003 salary, and Nielsen is suing her old employer for the difference between what she is receiving and what she would be entitled to, had Calecur updated the paperwork and paid the premiums properly.

These specific accusations have not yet been proven in court, but courts have forced employers to compensate disabled employees, if their coverage is found to be lacking.



**Another thing for employers** to be vigilant about is dismissing from a company without a working notice period. If the employee signs a release and accepts a severance, everything's copacetic, but, if a settlement is not agreed on, and the employee is injured during what would be a "normal notice period", courts have been known to force the employers to stand in for insurers. Companies have had to pay ex-employees the lost wages they would have received from the insurance company, as if the employee was still covered under the group plan.

What would a normal notice period look like? According to the BC Employment Standards Act, after 3 consecutive years, an employee is entitled to a minimum of 1 week for every year of employment, to a maximum of 8 weeks.

**How should you protect your company against similar lawsuits? Do your paperwork!**

Group Life and Health Plans \* Registered Pension Plans \* Group RSPs \* Tax Free Savings Account (TFSA) \* Critical Illness Plans  
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