

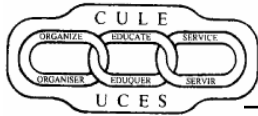
PLAN DOCUMENT

for

THE PUBLIC SERVICE ALLIANCE OF CANADA

CULE Retiree Benefit Plan

January 2005



1. INTRODUCTION

CULE has negotiated funding with their employer, PSAC, which will assist employees who retire at the age of 55 or later to purchase Health, Vision Care, Out-of-Country and Dental Care benefits and/or to use funding allowances under a Health Care Spending Account arrangement. CULE will be the plan sponsor while Coughlin & Associates Ltd. will be providing consulting, administration, and claims payment services. The PSAC's only participation will be that of providing the agreed upon funding and serving in an advisory capacity to the concerned parties. PSAC will also help coordinate the plan administration.

2. PLAN STRUCTURE

The plan structure will provide for four benefit plan options which will be available to eligible CULE retirees and their dependants. The four plan models will be as follows:

PLAN A – Health, Vision and Out-of Country coverage

PLAN B – Dental Care coverage

PLAN C – Health, Vision, Out-of Country and Dental Care coverage

PLAN D – Vision, Out-of-Country and Dental Care coverage

Details of each of these plans will be provided in the attached appendix, as will the premium funding requirements. Each plan will have a different premium level established for single, couple or family coverage.

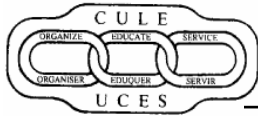
3. ELIGIBILITY

Eligibility will be limited to CULE retirees who:

- have terminated PSAC employment on or after May 1, 2004;
- are in receipt of a pension plan benefit in accordance with the PSAC Pension Plan regulations;

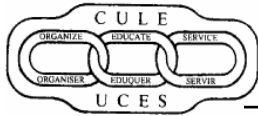
If the PSAC employee retires before age 65 and elects a deferred pension, then their eligibility to join the plan commences at the later of the date the pension is placed into payment, or age 55; all coverage ceases at the date the retiree attains age 65.

Upon the death of a retiree, any balance in the Health Care Spending Account will revert to the CULE Trust Fund. Benefits for any covered dependants will cease at December 31 in the year of death of the retiree.



4. FUNDING

1. The employer will contribute an amount equal to 1% of the CULE payroll (\$55,108.18) in the first year of this Collective Agreement and on an annual basis to Coughlin to be held in trust as pooled funds for CULE retirees. This contribution will commence as of May 1st, 2004.
2. Once a retiree becomes eligible to be enrolled in the plan, an employer contribution amount will be sent at the date of retirement and annually thereafter for a maximum of 10 years and up to age 65, to Coughlin & Associates Ltd. for deposit into the retiree's Health Care Spending Account. Once in the plan, any future increases to the Health Care Spending Account funding would apply to plan participants. The Health Care Spending Account allowance of \$1,500 will be paid on January 1st each year. In the year of retirement, the \$1,500 will be pro-rated from the date of retirement to December 31st (formula to be number of days divided by 365 times \$1,500). In addition, once a member attains age 64, the contribution at January 1st will be limited to a pro-rated amount from January 1st to the date the member attains age 65 (number of days divided by 365 times \$1,500).
3. Upon ratification of this Collective Agreement, the employer will deposit a one time lump sum payment equal to 0.5% of CULE payroll (\$28,000) to the CULE pooled fund.
4. The retiree will be responsible for paying 100% of the monthly premiums. The retiree must use their Health Care Spending Account deposits as first option for payment. The retiree is responsible for any additional premium amounts. Coughlin & Associates Ltd. will collect the monthly premiums from the retirees.
5. Retirees who do not opt into the plan may use their Health Care Spending Account to cover other eligible expenses as defined under CRA rules. Such expenses would be sent to Coughlin & Associates Ltd. for reimbursement provided it is an eligible expense and there are adequate funds in the Health Care Spending Account to cover the expense.
6. In accordance with the rules of the Health Care Spending Account, unused monies will be deposited into the pooled fund if they are unused within 24 months of being deposited and made available to retirees.



5. PLAN ADMINISTRATION

Coughlin & Associates Ltd will administer the plan in trust for CULE. All monies received will be deposited into a CULE Trust Fund Account and will be used exclusively for the purchase of benefits. Quarterly accounting statements will be supplied to CULE with copies sent to PSAC.

The administration costs for Third Party Administration services, Consulting, and Claims Payment Adjudication services will be the same as those now charged in the administration of the PSAC Staff Benefit Plan. In addition, Coughlin & Associates Ltd. will be responsible for administering the individual Health Care Spending Accounts and will be responsible for invoicing retirees who have monthly benefit premium contribution requirements.

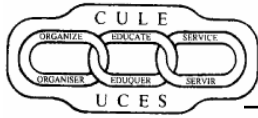
NOTE: The plan trust fund will receive annual funding equal to a percentage of payroll and this funding will be used at such times that premium funding is not sufficient to cover total expenses. When this occurs, Coughlin & Associates Ltd. will consult with CULE to consider premium rate funding increases so as not to allow the depletion of the Trust Fund.

6. PLAN DETAILS

The plan is a voluntary plan where retiring members will be given the option as to whether or not they wish to purchase single, couple or family coverage at their date of retirement. The retiree will have 30 days from the date of retirement to opt into one of the four plan models, A, B, C or D. If the retiree opts not to join the plan at retirement date, this decision is irrevocable unless otherwise detailed. Once the retiree opts into the plan, they can opt out or reduce coverage at any time within 31 days notice. They cannot, however, opt back in at a future date nor can they add a spouse at a future date unless proof is supplied that the spouse had alternate coverage elsewhere and that the coverage is now being terminated. The opting in will also include the member opting in at a later date when spousal coverage terminates. Coverage will be provided from the date of retirement until the earlier of the date the retired CULE member attains age 65 or elects to opt out of the plan.

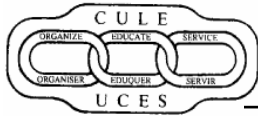
7. MANAGING EXCESS BENEFITS

In adjudicating claims for the CULE Retirees Benefit plan administered by Coughlin & Associates Ltd., claims in excess of plan coverage will be reimbursed whenever there are sufficient monies available in the member's Health Care Spending Account.



APPENDIX A

Plan Models



Plan A

Health, Vision and Out-of-Country

- The plan will provide health coverage comparable to the PSAC Staff Benefit plan for active members at retirement. However eligible drugs will be subject to 100% reimbursement to a maximum of \$8,000 per calendar year. The plan will provide reimbursement of Vision Care expenses with a \$400 maximum per 24 months. At the date of retirement, a new \$400 maximum will be established for the 24 months immediately following retirement. This will apply regardless of the retired member's vision care benefit status prior to retirement. The plan will also provide basic 90-day Out-of-Country coverage on a fully insured pooled basis with said coverage being made available through the PSAC sponsored staff plan.

Plan B

Dental Care

- A Dental Care benefit providing for 50% reimbursement of all eligible dental claims including basic, major and major restorative coverages, and provided based on the current fee guide in the province where services are rendered. The plan will not cover orthodontics for retirees or dependants.

Plan C

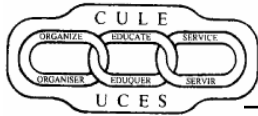
Health, Vision, Out-of-Country and Dental Care

- This plan will provide a combination of Health, Vision, basic 90-day Out-of-Country and Dental Care coverage as described.

Plan D

Vision, Out-of-Country and Dental Care

- This plan will provide a combination of Vision, basic 90-day Out-of-Country and Dental Care coverage as described.



Premium Funding Requirements

The monthly premium funding requirements (excluding applicable taxes) will be as follows:

PLAN	SINGLE COVERAGE	COUPLE COVERAGE	FAMILY COVERAGE
A	\$125	\$250	\$300
B	\$30	\$60	\$65
C	\$150	\$300	\$365
D	\$40	\$80	\$100

NOTE: The preceding rates are based on an \$8,000 yearly maximum for drugs, and are based on the dental care reimbursement for basic services being at 50% (versus 100% now provided to active members).

Example 1:

A retiree chooses the family coverage under Plan A on January 1st. The monthly premium of \$300 (excluding taxes) will be drawn down from the \$1,500 HCSA allowance. Therefore, the first 5 months (5 x \$300) will be automatically taken from the savings account, after which the member will be responsible for paying the premiums either through monthly invoicing or Pre-Authorized Payment plan.

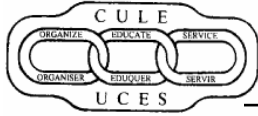
Example 2:

A retiree chooses the single coverage Plan B on January 1st. The monthly premium of \$30 or \$360 annually (excluding taxes) will be drawn down from the \$1,500 HCSA allowance, leaving a \$1,140 balance available to cover eligible expenses as outlined in Appendix B.

Example 3:

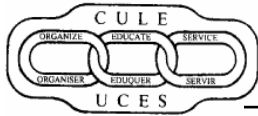
A retiree chooses the single coverage Plan A on January 1st. The monthly premium of \$125 or \$1,500 annually (excluding taxes) will be drawn down from the \$1,500 HCSA allowance, leaving no balance in the HCSA. Should the annual premium (including taxes) exceed \$1,500, the retiree will be invoiced for additional amounts.

NOTE: The retiree will be responsible for paying 100% of the monthly premiums. The retiree must use their Health Care Spending Account deposits as first option for payment.



APPENDIX B

Health Care Spending Accounts Eligible Expenses



HEALTH CARE EXPENSE ACCOUNTS Eligible Expenses

ELIGIBLE EXPENSES FOR HEALTH CARE EXPENSE ACCOUNTS

The usefulness of a Health Care Expense Accounts is very broad. The eligible expenses are those that would be tax-deductible and are listed in the *Income Tax Act*, its regulations, and Interpretation Bulletins. Taxpayers can claim tax credits for eligible expenses for tax purposes for themselves, their spouses, or any dependants for whom they may be claiming a tax credit that year.

In addition to deductibles and coinsurance amounts, the expenses covered by the account could include the following items, as long as no other provincial health insurance or private health care plan covers them:

Practitioners

Registered in the province or territory where the expense occurred:

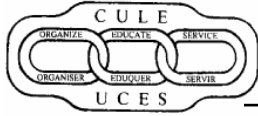
- acupuncturists (must be medical practitioner)
- chiroprodists (podiatrists)
- chiropractors
- Christian Science practitioners
- massage therapists
- naturopaths
- nurses
- occupational therapists
- optometrists
- osteopaths
- physicians
- physiotherapists
- practical nurses
- psychoanalysts
- psychologists
- speech therapists (where therapy involves pathology or audiology)
- therapists

Dental Expenses

- preventive, diagnostic, restorative, orthodontic and therapeutic care

Facilities

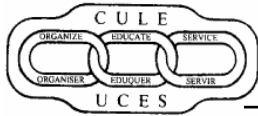
- Remuneration paid for a full time attendant, or for the cost of full time care in a nursing home, of a patient who has a severe and prolonged mental or physical impairment. The condition must be certified by a medical doctor or optometrist, where applicable. An impairment is considered severe and prolonged, if it markedly restricts daily activities and can reasonably be expected to last for a continuous period of at least 12 months.
- Remuneration paid for a full time attendant, if the patient lives in a self-contained domestic establishment (for example, his home). A doctor must certify that the patient is likely to be dependant on others for his personal needs by reason of physical or mental infirmity that is of indefinite duration.



- Amounts paid to a nursing home for the full time care of a patient who, due to a lack of normal mental capacity, will be dependant upon others for now and the foreseeable future.
- Payments to a special school, institution, or other place for care, training, or use of equipment, facilities or personnel, with regard to a mentally or physically handicapped individual. An “appropriately qualified person” must certify the individual and his or her special requirements.
- Payments to a public or licensed private hospital.

Devices and Supplies

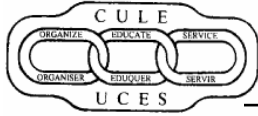
- artificial eye
- artificial limbs
- crutches
- cloth diapers or disposable briefs for use by persons who are incontinent by reason of illness, injury or affliction
- device or equipment, including a replacement part, designed exclusively for use by an individual who is suffering from a severe chronic respiratory ailment or a severe chronic immune system disregulation, but not including an air conditioner, humidifier, dehumidifier, or air cleaner
- device or equipment designed to pace or monitor the heart of an individual who suffers from heart disease
- device designed to assist a disabled individual in walking
- device designed exclusively to enable an individual with a mobility impairment to operate a vehicle
- device or equipment, including a synthetic speech system, Braille printer and large print on-screen device, designed exclusively to be used by a blind individual in the operation of a computer
- device to decode special television signals to permit the vocal portion of the signal to be visually displayed
- device designed to be attached to infants diagnosed as being prone to sudden infant death syndrome in order to sound alarm if the infant ceases to breathe
- device designed to enable diabetics to measure blood sugar levels
- drugs, medications, or other preparations or substances prescribed by a medical practitioner or dentist and recorded by a pharmacist
- electronic speech synthesizer that enables a mute individual to communicate by use of a portable keyboard
- electronic or computerized environmental control system designed exclusively for the use of an individual with a severe and prolonged mobility restriction
- external breast prosthesis that is required because of a mastectomy
- extremity pump or elastic support hose designed exclusively to relieve swelling caused by chronic lymphedema
- eyeglasses or other devices for the treatment or correction of a patient's vision defect, as prescribed by a medical practitioner or optometrist
- hearing aids
- hospital bed including attachments to it that may have been included in a prescription
- ileostomy or colostomy pads
- inductive coupling osteogenesis stimulator for treating non-union of fractures or aiding in bone fusion



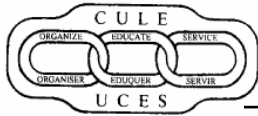
- infusion pump, including disposable peripherals, used in the treatment of diabetes, or a device designed to enable a diabetic to measure his or her blood sugar level
- insulin
- iron lung
- kidney machines
- laryngeal speaking aids
- limb braces
- mechanical device or equipment designed to be used to assist an individual to enter or leave a bathtub or shower; or to get on or off a toilet
- needle or syringe
- optical scanner or similar device designed to be used by blind individuals to enable them to read print
- orthopaedic shoe or boot, or an insert for a shoe or boot, made to order for an individual in accordance with a prescription to overcome a physical disability of the individual
- oxygen tent or equipment
- power-operated lift designed exclusively for use by disabled individuals to allow them access to different levels of a building, or assist them to gain access to a vehicle, or to place wheelchairs in or on a vehicle
- rocking bed for poliomyelitis victims
- spinal braces
- teletypewriter or similar device, including a telephone ringing indicator that enables a deaf or mute individual to receive telephone calls
- truss for a hernia
- walkers
- wheelchairs
- wig made to order for an individual who has suffered abnormal hair loss owing to disease, medical treatment, or accident

OTHER

- The costs of acquisition, care and maintenance (including food and veterinarian care) of a dog, if the dog is trained to guide a blind person or alert a profoundly deaf individual. In addition, traveling, board, and lodging expenses, while in a full time attendance at a training institution, are allowable.
- Costs of medical services and supplies outside the province of residence.
- Diagnostic, laboratory, and radiological procedures or services used for maintaining health, preventing disease, or assisting in diagnosis.
- Modifications to a home for a person who lacks normal physical development or is confined to a wheelchair.
- On behalf of a patient who requires a bone marrow or organ transplant: reasonable expenses to locate a compatible donor and arrange for the transplant; reasonable traveling, board and lodging expenses of the donor and the patient in respect of the transplant.
- Premiums payable to another private health services plan (e.g., individual travel health insurance).
- Transportation by ambulance to or from a public or licensed private hospital for the patient.

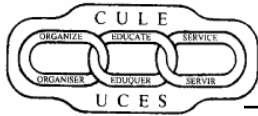


-
- Transportation expenses paid to an individual who is in the business of providing transportation services to transport the patient and one additional person (if necessary, as certified by a medical practitioner), provided:
 - equivalent medical services are not available locally;
 - the route taken is reasonably direct;
 - the medical treatment sought is reasonable and the distance traveled is at least 40 kilometres.
 - Reasonable expenses for private transportation if the patient has to travel a distance of over 80 kilometres and hired transportation is not readily available.
 - Reasonable expenses for meals and accommodation for the patient and, if required, the accompanying individual, provided the conditions for transportation expenses are satisfied and the distance traveled is at least 80 kilometres.
 - Physician block fees.



APPENDIX C

CULE Retiree Benefit Plan and Health Care Spending Accounts Claiming Process



CULE Retiree Benefit Plan and Health Care Spending Accounts Claiming Process

BENEFIT YEAR

The benefit year runs from January 1 to December 31. The anniversary date is January 1.

HEALTH CARE SPENDING ACCOUNTS (HCSA) FUNDING

An employer annual contribution of \$1,500 for medical and dental expenses combined will be allocated to each eligible employee's account on the anniversary date.

PREMIUM FUNDING

Participants of the CULE Retiree Benefit Plan must use their Health Care Spending Account deposits as first option for payment. The retiree is responsible for any additional premium amounts. Coughlin & Associates Ltd. will collect the monthly premiums from the retirees.

BALANCE CARRIED FORWARD

During the course of the year, Coughlin & Associates Ltd. will debit the employee's account by any amount reimbursed to him/her.

In accordance with the rules of the Health Care Spending Account, any unused balance will be deposited into the CULE Retiree Benefit Plan pooled fund if they are unused within 24 months of being deposited and made available to retirees.

An annual statement of the HCSA balance will be provided to retirees at the end of each calendar year.

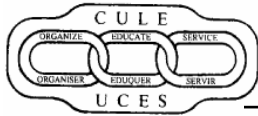
ELIGIBLE EXPENSES

In addition to deductibles and co-insurance amounts, Health Care Spending Account eligible expenses are identified in Appendix B. Expenses are covered provided they are not covered by any other provincial or private health care plan.

HOW TO CLAIM BENEFITS

All major medical and dental claims applicable to the CULE Retiree Benefit Plan (if a member) or the HCSA should be submitted to Coughlin & Associates Ltd. for validation.

Claim forms may be obtained from Coughlin & Associates Ltd. The administrator will accept standard dental claim forms provided by your dentist's office.



To be eligible for reimbursement, Coughlin & Associates Ltd. must receive proof of claim no later than 90 days after the earlier of:

- the end of the benefit year during in which you or your dependant incurred the expense; or
- the end of the your coverage.

Note: Original claims receipts will be retained by Coughlin & Associates Ltd.

IMMEDIATE PROCESSING

For *immediate* processing and reimbursement, just submit your claim form in person Monday to Friday during regular business hours to the Coughlin & Associates Ltd. head office located at 333 Preston Street, 2nd floor, Ottawa, Ontario K1S 5N4. The office is conveniently located in the Xerox Building at the Queensway and Preston Street.

Street Address	Mailing Address
333 Preston Street, Suite 200 Ottawa, Ontario K1S 5N4	P.O. Box 3517, Station "C" Ottawa, Ontario K1Y 4H5

Telephone: (613) 231-8540
Fax: (613) 231-2345
E-mail: ottclaims@coughlin.ca