

LTD PREMIUM INCREASE SEPTEMBER 8, 2024

WHAT IS THE NEW LTD PREMIUM?

Currently the Premium for NSGEU Plan members is 1.64% and for all other Plan members 1.50% of insured earnings (the Employer and Plan member each pay 50%). As of September 8, 2024, the premium rate for all current Plan members will be 1.86% of insured earnings (the Employer and Plan member each pay 50%).

WHY ARE THE RATES INCREASING?

Claims costs are greater than premium revenue, to ensure the Plan reaches and maintains its target funded ratio of 125% currently discounted premiums need to be adjusted.

WHY IS THERE NOW ONLY ONE PREMIUM RATE?

A basic principle of group insurance is to provide insurance coverage to a large group, spreading the costs and risks over the entire covered population and by doing so reducing the overall risk. By blending the 2 current rates, this principle is achieved and ensures that the rate charged remains reasonable for all covered Plan members.

WHEN DID PREMIUMS LAST CHANGE?

In 2013 premiums were reduced by 38%, prior in 2009 premiums were reduced by 25%, the last premium increase was in 2002.

IS THE PLAN FINANCIALLY STABLE?

Yes, the Plan is very stable, the Plan continues to have a strong funding position. To maintain the strong funding position, considering the increase in claims costs and the currently discounted premiums, premiums now need to increase.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE PLAN OFFICE BY PHONE OR EMAIL.



**Nova Scotia Public Service
Long Term Disability Plan Trust Fund**