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**PUBLIC SERVICE MANAGEMENT
INSURANCE PLAN (PSMIP)**

PURPOSE


1. PSMIP is insurance provided by the Government to eligible employees. Coverage includes group life, accidental death and long term disability.

APPLICATION

2. These guidelines and procedures apply to all excluded employees and senior managers, except:
 - those who cannot pass PSMIP medical requirements; and
 - those appointed to a term of less than three months.

DEFINITIONS


3. **Basic Life Insurance** is equal to one year of annual salary; two years for managers. For the purposes of PSMIP annual salaries are adjusted up to the nearest \$1,000.00 interval.
4. **Annual Salary** means annual salary adjusted up to the nearest \$1,000.00 interval.
5. **Supplementary Life Insurance** is optional additional life insurance equal to one year's annual salary.
6. **Accidental Death and Dismemberment Insurance** is additional insurance that provides benefits for certain injuries and death.
7. **Long-Term Disability Insurance (LTD)** means a taxable income supplement program providing income to eligible employees.
8. **Underwriter** means National Life Assurance Company of Canada.
9. **The Compensation and Benefits Division** is the Division responsible for pay and benefits administration.
10. All eligible employees must participate in the LTD program. Other coverage is optional.

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11. Applications to join the plan should be submitted within 60 days of becoming eligible. If applied for after the first 60 days, medical evidence must accompany the application.
12. Supplementary life insurance is available only to members who have basic life insurance and submit satisfactory medical evidence.
13. Accidental death and dismemberment is available to members who have basic life insurance and submit satisfactory medical evidence. It is available in blocks of \$25,000 to a maximum of ten blocks or \$250,000.
14. The life insurance coverage limit is \$5,000 for the spouse and \$2,500 for dependant child. The amount payable doubles if the death is accidental.
15. All benefits continue if the employee is on leave without pay. Premiums are paid by the employee and the employer during the leave.
16. Conversion privileges to a private plan for life and accidental death insurance are available upon termination subject to certain restrictions.
17. Employees who were members of the LTD plan before November 1, 1970, may cancel LTD coverage anytime.
18. Employees who were members of the LTD plan after November 1, 1970, may cancel all benefits under PSMIP except the LTD benefit.
19. Employees are automatically notified of any changes to the plan's benefits.

Supplementary Life Insurance and Accidental Death and Dismemberment

20. Employees contact the Compensation and Benefits to apply for coverage. The applications are sent to National Life Assurance for approval.
21. The Government deducts the premiums directly from the employee's pay. If the application is not approved, premiums are refunded.
22. All coverage except LTD may be cancelled by written authorization from the employee.

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23. Upon death of the employee or insured dependants, Compensation and Benefits provides all forms and counselling to the claimants. Once completed, the forms are returned to Compensation and Benefits who submit them to the insurer.
24. Upon retirement, the employee is notified by Compensation and Benefits of what benefits may be converted to personal plans, and what action is needed.

AUTHORITIES AND REFERENCES

25. Superannuation Administration Manual
Chapter 4, PSMIP/LTD
26. Public Service Management Insurance Plan Booklet
27. Public Service Management Insurance Plan booklet for the Management Category
28. Senior Management Handbook
Insurance
29. Excluded Employees Handbook
Insurance

CONTACTS

30. For further information and clarification, please contact:

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Department of Finance
Iqaluit, Nunavut
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