



# Disability Income Protection

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## Disability Income Protection

There may be times in your career when sickness or injury prevents you from working and earning your regular income. Without adequate financial protection, your family's financial security and way of life could be compromised.

Your Disability Income Protection — a protection that works when you can't — is designed to protect you from loss of income resulting from short or long periods of absence for sickness or disability. It comprises the following plans:

- ▶ Sick Leave plan: for short periods of absence.
  
- ▶ Group Disability Income plan: for extended disabilities.
  
- ▶ Pregnancy Leave Benefit plan: to supplement Employment Insurance during maternity leaves; or for Quebec residents only, Quebec Parental Insurance Plan (QPIP).

### *Introduction*





These highlights give an overview of your Disability Income Protection. The following pages contain the detailed information on which benefit payments will be determined.

**Highlights**

<b>Sick Leave plan</b>	
<b>Eligibility</b>	After 6 months of continuous service
<b>Coverage</b>	100% of your basic rate of pay for the first 14 calendar days of disability, provided you have accumulated sufficient sick days.
<b>Cost</b>	Currently paid in full by Air Canada
<b>Group Disability Income plan</b>	
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>▶ Permanent full-time employees: including permanent full-time stations attendants: as of your first day of employment;</li> <li>▶ Temporary full-time employees: after 3 months of continuous service;</li> <li>▶ Permanent part-time employees who are eligible for 'full-time' benefits will continue to be covered by this Plan.</li> </ul>
<b>Coverage</b>	<ul style="list-style-type: none"> <li>▶ 70% of basic monthly pay during the first year of disability, 65% thereafter, up to monthly earnings of \$5,600</li> <li>▶ Cost-of-living adjustment of up to 5% after 2 years of total disability, provided CPI increases at least 3%</li> </ul>
<b>Cost</b>	Currently paid in full by Air Canada





**Pregnancy Leave Benefit plan**

**Highlights  
(cont'd)**

<b>Eligibility</b>	Permanent full-time or part-time female employees who are eligible for the Group Disability Income Plan: after 6 months of continuous service.
<b>Coverage</b>	Income protection for up to 17 weeks during pregnancy leave, provided Employment Insurance/Quebec Parental Insurance Plan maternity benefits are also payable
<b>Cost</b>	Currently paid in full by Air Canada





## Sick Leave plan

You are automatically covered under the plan after completing six months of continuous service.

**Joining the plan**

Air Canada currently pays the entire cost of this plan.

**Cost**

***Do I have to pay income tax on this coverage?***

Because the Company pays the full cost of this plan, any benefits that you receive will be considered as income and are, therefore, taxable for income-tax purposes.

If you are unable to work because of an illness or an off-the-job injury, you may receive 100% of your basic rate of pay for the first 14 calendar or cumulative days of disability (provided you have accumulated sufficient sick days).

**Coverage**

***What happens if I return to work before my Sick Leave period ends and become unable to work again?***

If you have been back at work for less than 30 days, your Sick Leave benefits will resume for the balance of your Sick Leave period.

If you have been back for 30 days or more, a new Sick Leave period will apply.

***What do you mean by basic rate of pay?***

Basic rate of pay means the regular salary you were receiving before your disability, excluding overtime.

***If a holiday or planned vacation falls during a Sick Leave, will it be included in determining the duration of my Sick Leave benefits?***

No. If you become sick while on vacation, your Sick Leave period will start counting from the day you are scheduled to return to work.

If you become sick before a scheduled vacation, however, your vacation may be rescheduled to a later date.

***What happens if my Sick Leave period ends and I'm still unable to return to work?***

You may then be eligible for benefits under the Group Disability Income Plan (GDIP).





***Do I have to provide a doctor's note during my Sick Leave period?***

You may be required to submit a medical certificate.

***Coverage (cont'd)***

No benefits are payable for employees who have been given written notice of unsatisfactory attendance.

***Exclusions***

***What happens to my coverage under the other Company plans while I am on Sick Leave?***

Your coverage under the other Company plans as well as regular deductions, if applicable, are maintained.

***In the event...***

***What happens if my disability is related to my pregnancy?***

Disabilities related to pregnancy are handled the same way as non-pregnancy disabilities.

***What happens to my coverage if I take a maternity/child care leave?***

Coverage is suspended during a maternity or child care leave and resumes on the scheduled date of return.

***When does coverage end?***

Your coverage ceases during unpaid leaves of absence. In addition, it will end on the earliest of the following dates:

- your termination of employment,
- your retirement,
- the last day of the month of your 65<sup>th</sup> birthday, and
- your death.

You should notify your immediate supervisor of your absence on the first day of your disability.

***How to submit claims***

Medisys, the Claims Administrator of the Group Disability Income Plan (GDIP), will be notified if your absence exceeds 6 calendar days. Medisys will contact you to determine if your absence is likely to exceed 14 calendar days, in which case they will mail you a Group Disability Income Plan Claim Request Form.

Group Disability Income Plan Claim Request ACF863A1 (GDIP Forms) can be obtained on the AC aëronet.





## Group Disability Income plan

**Permanent Full-Time employees**, including **permanent full-time station attendants**, are automatically covered under the plan from their first day of employment, provided they successfully passed the Company medical examination.

**Temporary Full-Time employees** become covered after three months of continuous service, provided they have successfully passed the Company medical examination.

**Permanent Part-Time employees** who are eligible for 'full-time' benefits will continue to be covered by this Plan.

**How do I join?**

Coverage is automatic. There is no form to complete.

**Joining the plan**

Air Canada currently pays the entire cost of this plan.

**Cost**

**Do I have to pay income tax on this coverage?**

Because the Company pays the full cost of this plan, any benefits that you receive will be considered as income and are, therefore, taxable for income-tax purposes.

**Medisys** for first 180 days of a claim

**Great West Life** for claims whose duration is greater than 180 days

**Claims Administrators**

Once you have been continuously disabled for 14 consecutive or cumulative calendar days, the plan will pay 70% of your basic monthly pay.

The basic monthly pay is subject to a maximum of \$5,600.

**Coverage**

**What do you mean by basic monthly pay?**

Basic monthly pay means the monthly salary you were receiving before your disability, including the following allowances.

- red circle protected salary, if applicable,
- acting salary differential,
- additional responsibility pay,
- adjustment factor,
- differential,





- guarantee,
- in-charge differential,
- license differential/load dispatch certificate,
- longevity pay,
- merit pay,
- tank sealing duties, and weighting allowance.

Please take note that monthly pay does not include any foreign service premium, location differential, housing allowance or secondment allowance.

#### ***What does being disabled mean?***

You are considered totally disabled and eligible for benefits if you are under the continuous care of a qualified physician, and;

- **During the first two years of disability**

You are unable to perform the majority of the duties associated to your regular occupation.

- **After two years of disability**

You are unable to work at any occupation for remuneration or profit for which you are reasonably qualified by reason of education, training or experience and that would provide income equivalent to the disability benefits payable from the Group Disability Income plan.

You do not need to be confined to your home to be considered totally disabled.

A disability includes a bodily injury as well as an illness that results from organic disease while under the care of a qualified physician. It also includes serious mental disorders (psychosis, including schizophrenic disorders, paranoia, senile psychosis, manic-depressive reactions and others). It does not, however, include mental illnesses that do not require constant medical attention (neurosis, anxiety reactions, tension, etc.) or a mental illness where the basic cure for that illness is primarily rest and relaxation.

A qualified physician is a professional who, by education and training, is licensed and authorized by law to practice medicine in the area where treatment is given.

**Coverage  
(cont'd)**





***What happens if I am on temporary assignment when I become disabled?***

Benefits will be calculated based on the following:

- Temporary assignments of less than one year: on your basic pay in your permanent position.
- Temporary assignments of at least one year: on your higher temporary basic pay once you have completed one year of continuous assignment in the higher paid position.

***Am I still eligible for benefits under the plan if my illness or injury is covered under Workers' Compensation?***

Depending upon your province of residence, you may be eligible to receive top-up benefits, over and above WCB benefits, from the plan. Therefore, you should submit a Group Disability Income Plan (GDIP) Claim Request and send it to the Claims Administrators as soon as possible so that they may determine if you qualify for this benefit.

Full disability benefits from the plan may be payable only when a claim for disability incurred while on duty has been rejected by the Workers' Compensation Board. In this event, be sure to forward a copy of the rejection to the Claims Administrators as soon as possible in support of your Group Disability Income Plan (GDIP) Claim Request.

***NOTE: If you are entitled to disability income from Workers' Compensation, you may request an advance payment from the Claims Administrator, provided you can submit satisfactory medical evidence and you agree in writing to reimburse the Claims Administrator.***

***What happens if I also receive disability income from other sources?***

The benefits from this plan will be reduced by amounts you may be entitled to receive from the following sources of disability income:

- government plans,
- Workers' Compensation or similar law,
- any retirement plan, and
- Air Canada or any other employer.

**Coverage  
(cont'd)**





In any event, benefits payable by this plan will not be reduced by subsequent cost-of-living increases in benefits from these other sources.

**Coverage  
(cont'd)**

**What happens if my salary schedule or collective agreement is revised during my disability?**

If the revised salary schedule or collective agreement is retroactive to a date that precedes your disability, the benefits payable to you will be adjusted accordingly.

**Do disability benefits increase to keep up with the cost of living?**

Yes. If you have been totally disabled for at least two continuous years, your benefit rate will be increased on the first day of each year thereafter, based on the increase in the Consumer Price Index, as follows:

<b>Increase in Consumer Price Index</b>	<b>Increase in benefit</b>
3% or less	0%
4%	1%
5%	2%
6%	3%
7%	4%
8% or more	5%

The benefit rate refers to your benefits from the plan less any income from other sources. The annual average change in the Consumer Price Index for the period from November to October in the preceding two years is used to calculate the adjustment.

If you have been totally disabled for one full year but less than two, the increase will be prorated.

**What happens if I return to work after receiving disability benefits from the plan and become disabled again?**

Your benefits may resume at the same level as before, if:

- your disability is due to the same or a related cause and you have been back at work for less than 180 days; or
- your disability is due to a different cause and you have been back at work for less than 30 days.





**NOTE:** *If you have been back at work for more than 30 days and become disabled again due to a different cause, this will be considered a new disability; you may be eligible for benefits from the sick leave plan.*

*You will be required to submit medical documentation in support of your disability in order to be eligible for further benefits from the Group Disability plan.*

**What happens if my doctor recommends I return to work on a modified or gradual schedule?**

The purpose of a modified or gradual return to work program is to assist you back to full-time employment on a gradual basis when medically required and supported. There must be a plan of treatment in place outlining a schedule for the gradual return to work with a goal date for a full-time return to work. Once your modified return to work is approved by the Claims Administrator, any change or extension to a modified or gradual return to work program must be medically supported.

Within the first two years of your disability, if you are participating in an approved modified job within Air Canada and the take-home pay of this job is less than the take-home pay of your regular job, the plan will pay the difference. Similarly, if you return to your regular job on a part-time or gradual basis, the plan will pay the difference between the take-home pay for full-time work and the pay for part-time work.

You may also be entitled to receive income from another employer during your disability or from non-government retirement plans during the second and subsequent years of disability. If your take-home pay from these sources is less than the benefits from the plan during the first year of disability, the plan will pay the difference, provided you continue to meet the plan's definition of total disability.

In any event, payment from the plan will not exceed the benefits normally payable by the plan.

Take-home pay, in this case, refers to your basic monthly pay less compulsory government and Company deductions, excluding garnishes and pay assignments.

**Coverage  
(cont'd)**





**When do benefits end?**

Benefits from the plan will end on the earliest of the following dates:

- when you return to work,
- when you retire,
- when you die, and
- the last day of the month in which you reach age 65.

**Coverage  
(cont'd)**

No benefits are payable for:

- ▶ Injury or sickness for which you are not continuously under the care of a physician.
- ▶ Intentionally self-inflicted injury or sickness.
- ▶ On-the-job disabilities that occur while you operate your own business or work for an employer other than Air Canada.
- ▶ Any period of maternity leave you take in accordance with provincial or federal law, or a mutual agreement between you and the Company.
- ▶ Any period for which you receive Employment Insurance maternity benefits, if you are not eligible for benefits from the Pregnancy Leave Benefit plan described in the next few pages.
- ▶ Injury or sickness resulting from war, declared or undeclared.

**Exclusions**

**What happens to my coverage under the other Company plans while I am receiving disability benefits?**

Air Canada will pay the cost of providing you with continued coverage under the following plans:

- Supplementary Health plan and International SOS Assistance Access program,
- Dental plan,
- Basic Group Life plan,

In addition, you will continue to earn allowable service under the Air Canada Pension plan without having to contribute to the plan. Your coverage under the Supplementary Life Insurance plan and the Voluntary Accidental Death, Dismemberment and Loss of Use (AD&D/LU) Insurance plan will continue provided you pay the applicable premiums.

**In the  
event...**





***What happens if my disability is related to my pregnancy?***

Disabilities related to pregnancy are handled the same way as non-pregnancy disabilities.

***What happens if I take a maternity/child care leave?***

Coverage is suspended during a maternity or child care leave and resumes on the scheduled date of return.

***What happens if I become disabled during my maternity/child care leave?***

If your disability begins while you are on maternity or child care leave, you should apply for benefits. Payment will start as of your scheduled date of return.

***When does coverage end?***

Coverage ends on the earliest of the following dates:

- when you leave the Company,
- the date you retire,
- the last day of the month in which you reach age 65,
- when you die,
- when you are no longer classified as an employee eligible for coverage, and
- when the plan is terminated.

***In the event...  
(cont'd)***

If possible, you should notify your immediate supervisor of the expected duration of your absence on the first day of your disability.

If your absence is likely to last more than 14 calendar days, Medisys will send you the Group Disability Income Plan (GDIP) Claim Request (ACF863A1) – which includes

- ▶ the Employee's Statement; and
- ▶ the Attending Physician's Statement

Once completed, fax or mail all forms directly to:

**MEDISYS INC.**  
**(Attention: Air Canada Mandate)**  
**500 Sherbrooke West, 11th floor**  
**Montreal, QC H3A 3C6**  
**TEL : 1-800-499-1394, ext.333 /**  
**TEL : (514) 499-2777 ext. 333**  
**FAX : 1-866-283-3403 / (514) 499-2135**

If you have any problems completing your claim form, you should contact **Medisys** for assistance.

***How to submit claims***





### General information

Please note that a claim is considered invalid if you are not under the care of a qualified physician and that it is your responsibility to provide satisfactory proof of your disability; any cost associated with obtaining the required information is also your responsibility. If there is insufficient proof of your disability, income benefit payments may be withheld until you provide adequate proof. Therefore, it is recommended that you ask the physician to provide the required information as soon as possible.

During this first 180 days of absence, **Great West Life's** sole involvement will be the issuing of disability benefit payments, upon receiving an advice to pay from **Medisys**.

If your disability absence is expected to exceed 180 days **Medisys** will transfer your file in its entirety to **Great West Life**, who will then be responsible for adjudicating, case managing and payment of the Group Disability Claim.

Follow-up medical reports will be required from time to time while you receive disability benefits from the plan. In such cases, you will receive a Medical Questionnaire which must be completed by your Treating Physician.

It is the responsibility of the claims administrator to conduct normal follow-ups during your disability. In some cases, the Claims Administrator will write directly to your attending physician to obtain some additional medical evidence. In these cases, fees will be paid by the Claims Administrator.

Should your claim for disability benefits not be approved, or your benefits suspended, you will be informed in writing of the denial/suspension and the reasons supporting it. You will have the option to appeal the decision.

To appeal an adjudication decision you must notify the Claims Administrator in writing within 6 months of the date of denial letter of your intent to appeal and you must provide additional medical evidence in support of your appeal.

***How to  
submit  
claims  
(cont'd)***





The appeal process is as follows:

- ▶ 1<sup>st</sup> appeal – file with new additional medical is reviewed by your case manager, assigned to you by the Claims Administrator.
- ▶ 2<sup>nd</sup> appeal – file with new additional medical is reviewed by a different case manager assigned by the Claims Administrator.
- ▶ 3<sup>rd</sup> and final appeal – file with new additional medical is reviewed by the Claims Administrator - Team Lead

After every appeal, you will be informed in writing of the outcome:

- If the decision to deny/suspend benefits is maintained, benefits will continue to be withheld.
- If your appeal results in the decision to accept your claim, benefit payments will resume.

Your entitlement to disability income benefits ceases on the date you no longer meet the definition of disabled.

Before you return to work, you should contact your supervisor. In most cases, a Company medical examination will be required before you can return to work.

***How to  
submit  
claims  
(cont'd)***





## Pregnancy Leave Benefit plan

If you are a **permanent full-time or permanent part-time** female employee and are eligible for the Group Disability Income Plan, you are automatically covered under the plan after completing six months of continuous service. If your probationary period has been extended, coverage will start after the extension.

**Joining the plan**

Air Canada currently pays the entire cost of this plan.

**Cost**

***Do I have to pay income tax on this coverage?***

Because the Company pays the full cost of this plan, any benefits that you receive will be considered as income and are, therefore, taxable for income-tax purposes.

The purpose of the plan is to supplement the Employment Insurance (EI); or if you are a Quebec resident, the Quebec Parental Insurance Plan (QPIP) benefits payable during a maternity leave.

**Coverage**

The plan provides income protection for up to 17 weeks.

**For Non-Quebec Residents:** For the first two weeks of maternity leave (which correspond to the waiting period before EI benefits become payable), the plan will pay you 100% of your regular earnings. Sick Leave credits will be used to cover the two-week period for EI benefits. For the next 15 weeks, the plan will pay the difference between the EI benefits and up to 70% of your regular insurable earnings.

The EI benefit is equal to 55% of your EI insurable earnings, that is, the portion of your pay on which you pay EI premiums.

**For Quebec Residents:** Since there is no waiting period before QPIP benefits become payable, the plan will pay the difference between the QPIP benefits and 100% of your regular earnings for the first two weeks. Sick Leave credits will be used to cover the difference between QPIP benefits and 100% of regular earnings, this will result in a small reduction (whole days only) of total sick leave credits remaining in your sick bank. For the next 15 weeks, the plan will pay the difference between the QPIP insurable earnings and 70% of your regular insurable earnings.





The plan works as follows:

**Coverage  
(cont'd)**

**Non-Quebec Residents:**

<b>Benefits paid by</b>	<b>Benefits for a total of 17 weeks (119 days)</b>	
	<b>First 14 days</b>	<b>Next 105 days</b>
<b>EI</b>	0% of salary	55% of EI insurable earnings
<b>Plan</b>	100% of salary	15% of EI insurance earnings  plus 70% of your earnings exceeding EI insurable earnings, up to a monthly salary of \$5,600

**Quebec Residents:**

<b>Benefits paid by</b>	<b>Benefits for a total of 17 weeks (119 days)</b>	
	<b>First 14 days</b>	<b>Next 105 days</b>
<b>QPIP</b>	*70% of salary	*70% of Insurable earnings
<b>Plan</b>	Difference between QPIP and 100% of salary	70% of your earnings exceeding QPIP insurable earnings, up to a monthly salary of \$5,600

\*QPIP will allow for payment of 75% of insurable earnings up to the applicable maximum for a period of 15 weeks - however if the higher percentage is taken - payment of the supplement will be limited to 15 weeks. Should the 15 week "Special Program" be elected, the percentage paid by the plan will be adjusted accordingly.





***If I am a non-Quebec Resident, do I have to be receiving EI pregnancy benefits to be eligible for benefits from the plan?***

Yes. You will not be receiving EI Benefits if one of the following conditions applies to you:

- you are serving the two-week waiting period for EI benefits;
- you have insufficient hours of insurable employment to qualify for EI benefits\*;
- you have received all of the EI benefits to which you are entitled.

*\*To qualify for EI benefits, you must have worked between 420 and 700 hours during the last year or since your last EI claim.*

***If I am a Quebec Resident, do I have to be receiving QPIP pregnancy benefits to be eligible for benefits from the plan?***

Yes, and you must meet the following criteria:

- you are the parent of a child born on or after January 1, 2006;
- have seen your salary reduced by at least 40%;
- are a salaried worker who resides in Quebec at the beginning of the benefit period;
- have an interruption of earnings upon the birth of the child;
- have earnings of at least \$2,000; and
- pay the required premiums.

**Coverage  
(cont'd)**





***What happens if medical complications arise during my pregnancy?***

That depends on whether medical complications occur before or during your pregnancy leave.

- **Before pregnancy leave:** if medical complications resulting from your pregnancy occur before your scheduled leave and you are unable to perform the necessary duties of your job or another job for which you are reasonably qualified according to your experience, training or education, you will be entitled to benefits from Air Canada's Group Disability Income plan until the baby is born. Afterward, you will be entitled to 17 weeks of income from the Pregnancy Leave Benefit plan.
- **During pregnancy leave:** if medical complications occur during birth or within six weeks afterward, you will first be entitled to benefits from the Pregnancy Leave Benefit plan followed by benefits from Air Canada's Group Disability Income plan. These latter benefits, however, will only be payable from the date you were originally scheduled to return to work.

***Must I provide a medical certificate to receive benefits?***

Yes. In the event of medical complications, if you do not provide sufficient medical evidence to support your absence, your income could be suspended or terminated. The certificate must state the nature of your illness.

In certain situations, your doctor may need to complete a detailed medical questionnaire or you may be required to undergo an independent medical examination.





***Am I still entitled to my vacation time if I'm receiving benefits?***

Yes. Income provided under this plan is considered continuation of your salary, so you do not lose vacation entitlement or vacation pay as a result of your absence.

***What happens to my coverage under the other Company plans while I am receiving benefits from this plan?***

Air Canada will pay the cost of providing you with continued coverage under the following plans:

- Supplementary Health plan and International SOS Assistance Access program.
- Dental plan.
- Basic Group Life plan.

In addition, you will continue to earn allowable service under the Air Canada Pension plan without having to contribute to the plan. Your coverage under the Supplementary Life Insurance plan and the Voluntary Accidental Death, Dismemberment and Loss of Use (AD&D/LU) Insurance plan will continue provided you pay the applicable premiums.

***Coverage  
(cont'd)***

You should obtain the Pregnancy Leave Benefit plan form (ACF863F) and a pre-addressed blue-cornered envelope (ACF851G) from **Employee Services** –Portal / **Employee Self Service (ESS) tool**; 1-877-645-5000; e-mail: [eServices@aircanada.ca](mailto:eServices@aircanada.ca).

Complete Part I of the form and then have your supervisor complete Part II. Afterward, mail the form directly to:

Great-West Life Assurance Co.  
Disability Benefits Payment Office  
P.O. Box 6000  
Winnipeg, Manitoba  
R3C 3A5

Be sure to attach proof that you are receiving EI/QPIP maternity benefits.

***How to  
submit  
claims***





## Government benefits

The Canada/Quebec Pension Plan provides an income if you become totally disabled. Under the Quebec Pension Plan, you must have contributed to the plan during five calendar years in the last 10 years and for one-third of the years during which you were eligible to contribute. Under the Canada Pension Plan, you must have contributed during at least four of the last six years.

**Canada/  
Quebec  
Pension  
Plan**

Workers' Compensation benefits are payable for work-related injuries and illnesses.

The exact amount and the duration of the benefits depend on the severity of the disability, and vary by province.

**Workers'  
Compensation**

Some provinces, like British Columbia, Manitoba, Ontario, Quebec and Saskatchewan, have automobile insurance plans that may provide income replacement indemnity to residents who are unable to work as a result of an automobile accident.

**Provincial  
automobile  
insurance  
plans**

