

March 25, 2020

## Continuing benefits coverage during COVID-19

We know that many of your clients have employees who are not able to work right now. We want to ensure that these employees have continued access to the coverage they need at a time when they really need it.

Your clients need to determine the type of leave that applies to their employees and their employment obligations. They cannot terminate or suspend coverage for statutory leaves.

### **Statutory leaves or severance**

There are no changes to how we're treating statutory leaves and severance arrangements. Plan sponsors can continue to use our [Continuation of Coverage Smart Form](#) to submit these requests.

We're asking plan sponsors to consult with their legal counsel to determine if their employees are entitled to a declared emergency leave. This is a type of statutory leave under employment standards legislation. Employees are entitled to coverage during statutory leaves as long as they pay their premium contributions.

Here are our guidelines on continuing coverage.

### **Temporary lay-off**

Your clients may choose to either maintain or terminate coverage during a temporary lay-off. Before they make a decision, we're asking that they review the continuation of coverage provision of their benefit plan.

#### ***Maintain coverage***

Your clients may maintain coverage for all benefits (or all benefits, except disability) for up to three months. Their benefit plan may set out a different temporary lay-off period. If so, this period will apply. They must apply their coverage decision equally to all employees within the same class.

We know that plan sponsors may not be able to collect employee contributions at this time. In such cases, they should remit the full premium now. They can then collect employee contributions when employees are back at work. This will not affect benefit taxability.

#### ***Terminate coverage***

We strongly recommend that plan sponsors maintain coverage to continue to protect the health of their employees. If their benefit plan allows them to terminate coverage during a temporary layoff, they must apply the decision equally to all employees within the same class.

Terminating coverage means that employees won't have access to any of their benefits.

### **Suspending coverage**

Even if a client's benefit plan does not provide for suspension of coverage, they can suspend coverage for all employees for up to three months. Suspending coverage means that employees won't have access to any of their benefits.

To suspend or terminate coverage, plan sponsors can process member terminations in our Plan Sponsor Services website or their own administrative system. They can also contact their Sun Life Employee Maintenance Team directly, or their Client Service Administrator if they are a SunAdvantage Client.

### **Minimum hour requirements**

Some employees may be working reduced hours and fall under the minimum number of hours required in the contract.

Your clients can maintain coverage for employees on reduced hours, on a temporary basis, for up to three months.

They should not reduce salary amounts in their administration system. We want to ensure employees are covered for their full benefit if they submit a claim.

### **Questions?**

We're here to help. Please contact your Group Benefits representative.