January 2011

Retiree FlexBenefits

Your options, your choice

Your retiree booklet

For Canadian employees who retire after January 1, 2010

What's inside

This booklet is intended to provide a reasonable and easy-to-under-stand summary of the *Retiree FlexBenefits* program. In no way does it confer to you any contractual rights or obligations.

All of the programs outlined in this brochure are governed by separate contracts and/or policy documents published by RBC. Where information in this booklet, provided by RBC or provided by any other source differs from the published policies, the contracts and/or policy documents will govern. RBC and its subsidiaries reserve the unilateral right to change, amend or terminate the contracts and/or policy documents at any time, and may be required to do so because of changes to legislation.

In addition, RBC reserves the right to amend the terms and conditions of the various coverages, as well as the amount charged to the individual.

Introduction

When you retire, you may be eligible for retiree benefits in addition to a retirement income from RBC's Retirement Program. The *Retiree FlexBenefits* program offers you choice and flexibility, much like the *FlexBenefits* program for active employees. Under *Retiree FlexBenefits* you can use an annual *flex credit* allotment, which is based on your length of service, to purchase healthcare coverage.

You will simply use your *flex credits* – together with personal payments, where necessary – to purchase your preferred healthcare coverage option from four benefit options:

- **Option 1: Basic** coverage
- **Option 2: Enhanced** coverage
- **Option 3: Catastrophic** coverage, or
- **Option 4: Opt-out**

You can also select a level of coverage to suit your needs – *Retiree only, Retiree plus one dependent*, or *Retiree plus two or more dependents*. Once you've chosen the coverage you need, any excess *flex credits* will be deposited to your Health Spending Account where they can be used to pay eligible out-of-pocket healthcare expenses that are either not fully covered by the plan or are outside of the plan's coverage.

You may be required to pay for a portion of your benefits, depending on the amount of your *flex credits* and the benefit selections you make. Any additional payments that are required to purchase your desired level of coverage after your *flex credits* have been applied will be deducted from your pension payment (DB pension members), or bank account (DC pension members).

There are a few key differences between the *Retiree FlexBenefits* program and the *FlexBenefit* program for active RBC employees. Under the *Retiree FlexBenefits* program:

- The number of *flex credits* you receive will be based on your years of service, rather than *basic flex credit* allotment plus *dependent flex credits*.
- The **benefit period** is from January 1 to December 31, rather than July 1 to June 30.
- Your Retiree Basic Life Insurance is $10,000.
- The Optional Retiree Life Insurance is based on your **benefit base** immediately prior to retirement instead of benefit earnings.

You have a one-time opportunity to select your healthcare option prior to your retirement.

- Optional Retiree Life coverage levels up to age 65 may be the same as your pre-retirement coverage (although may not exceed your pre-retirement coverage), and reduces at age 65 and age 70.
- Optional Accidental Death and Dismemberment (AD&D) coverage levels:
  - up to age 65 – may be the same as your pre-retirement coverage (although may not exceed your pre-retirement coverage),
  - from age 65 on – may be reduced to set maximums, and
  - ends at age 70.

  Remember, coverage for your **spouse/partner** and/or **dependent child(ren)** cannot exceed your coverage.
- There are no work-related benefits, such as disability benefits or business travel accident insurance, and no critical illness insurance.

From time to time, RBC will review your *flex credit* allotment and the benefit price tags. RBC reserves the right to adjust both the annual *flex credit* allotment you receive and the benefit price tags at any time.

RBC also reserves the right to amend the *Retiree FlexBenefits* program in any respect at any time, including the benefits payable to retirees.

Provincial healthcare plans

The *Retiree FlexBenefits* program is designed to supplement your provincial healthcare plan, providing a level of coverage for many healthcare expenses that are outside of your provincial plan coverage.

Provincial healthcare plans typically cover a range of medical items, services and supplies, which may include:

- doctors' and surgeons' fees;
- specialists' fees when referred by a general practitioner;
- diagnostic procedures, including X-rays and lab tests;
- standard ward hospital accommodation;
- out-patient treatment; and
- other services not mentioned above.

As the consumer of the service, it remains your responsibility, in consultation with the healthcare professional providing the service, to ensure you are aware of applicable provincial limitations.

Your provincial healthcare plan is first payer.

Any services that are covered by your provincial healthcare plan must first be submitted to that plan. Any unpaid portion may then be payable from the *Retiree FlexBenefits* program in accordance with the provisions of the program. Only eligible expenses are reimbursed in accordance with the provisions of the *Retiree FlexBenefits* program.

Under no circumstances, including any misunderstanding of what is an eligible expense, will the administrator reimburse an ineligible expense. In cases where a portion of an expense is reimbursed by the provincial healthcare plan, provincial legislation may exist that prohibits a private plan from covering the portion paid by the individual.

Changes to provincial healthcare plans, the introduction of new medical and dental services, or the development of new prescription drugs will not result in automatic adjustments to the *Retiree FlexBenefits* program. RBC continually monitors the benefits program to determine what, if any, adjustments are required.

Our starting points

Retiree FlexBenefits gives you a one-time opportunity to select your preferred benefits from a range of four options. Here's how it works:

You receive *Retiree FlexBenefits flex credits*

Each *benefit period* you will receive a *flex credit* allotment, currently $50 for each year of service, to a maximum of 35 years. If you have worked on an intermittent (part-time) basis, from January 1, 2010 onwards, your annual *flex credit* allotment will be adjusted to reflect your reduced work arrangement.

You choose your preferred healthcare benefit options

You can use your *flex credit* – together with personal payments, if necessary – to purchase your preferred benefit option:

- **Basic:** Supplementary Medical, Out-Of-Country Medical, Prescription Drug, Dental
- **Enhanced:** Supplementary Medical, Out-Of-Country Medical, Prescription Drug, Dental
- **Catastrophic:** Supplementary Medical, Prescription Drug
- **Opt-out:** all *flex credits* are directed to your Health Spending Account

You must also choose your preferred coverage level:

- *Retiree only*
- *Retiree + one dependent*
- *Retiree + two or more dependents*

All remaining *flex credits* will be directed automatically to your Health Spending Account

These *flex credits* are used to reimburse eligible medical, drug and dental expenses not covered by the benefit option you choose.

Life Insurance benefit

In addition to the healthcare options, *Retiree FlexBenefits* includes company-paid Retiree Basic Life insurance in the amount of $10,000.

Optional Life Insurance

You may purchase additional retiree-paid benefits at preferred rates.
At the time of your retirement, you may continue your *FlexBenefits* optional life and AD&D coverage for you, your spouse/partner and dependent children. This coverage may be at your existing level, or a reduced level.
Your additional retiree-paid coverage options include:

- **Optional Life Insurance**
- **Optional Accidental Death & Dismemberment (AD&D) Insurance**

Access to additional coverage at discounted rates

You will have access to additional coverage at discounted rates through RBC Insurance.
These additional retiree-paid plans are available on an individual policy basis and include:

- **Long Term Care Insurance**
- **Travel Medical Insurance**

Retiree FlexBenefits at a glance

The following high-level summary of the benefits available under the *Retiree FlexBenefits* program is provided for your quick reference. For a more detailed description of each benefit, please refer to the appropriate section of this booklet. Coverage is based on a benefit period of January 1 to December 31. For information on eligibility criteria, premium deductions, beneficiary designation and other program details, please refer to www.rbc.com/pensioners/.

Eligibility

You are eligible to participate in the *Retiree FlexBenefits* program provided that you meet **all** of the following criteria: are formally retired from RBC; are at least 55 years of age; are residing in Canada; have 10 years of continuous service from your *benefits eligibility date**; have completed at least 10 years of pensionable service immediately prior to your retirement date; and are accruing pensionable service in one of RBC's Canadian Pension Plans immediately prior to retirement.

* Employees retiring on or after **July 1, 2011** must have **five years** of *benefit eligibility* in the last 10 years.

Flex credits

As an eligible retiree, each year you will receive an annual *flex credit* allotment – currently $50 for each year of service, to a maximum of 35 years. You will use these *flex credits* – together with personal payments, if necessary – to purchase your preferred benefit and level of coverage. Excess annual *flex credits*, if any, will be deposited into your Health Spending Account. If you have worked on an intermittent basis from January 1, 2010 onwards, your annual *flex credit* allotment will be adjusted to reflect your reduced work arrangement.

Your choices

You will have a **one-time** opportunity, at the time of your retirement, to choose one of the following options – **Basic**, **Enhanced**, **Catastrophic**, or **Opt-out** – which will apply across all of the available healthcare plans – Supplementary Medical, Prescription Drug, Emergency Out-of-Province/Country Medical and Travel Assistance, and Dental. You cannot elect a different coverage option for each plan, **nor can you switch coverage** options after you make your election.

The price tags for coverage under each option vary by region – Atlantic, Central, Western and Saskatchewan.

Opting out

You can choose the *Opt-out* option, and use your annual *flex credit* allotment to pay for eligible expenses, as defined by the Canada Revenue Agency, on a pre-tax basis (except in Quebec) through your Health Spending Account. If you choose the *Opt-out* option, you will not be able to change your benefit option in the future.

Quebec residents are subject to some restrictions on opting out of coverage. For more information on *Retiree FlexBenefits* coverage for Quebec residents, see "Information for Quebec residents" on page 34.

Your level of coverage

At the time of your election, you can extend coverage to your eligible family members under the available healthcare plans. Eligible family members can include your spouse/partner and/or dependent children as of your retirement date.
There are three levels of coverage:

- *Retiree only*
- *Retiree + one dependent*
- *Retiree + two or more dependents*

BENEFIT HIGHLIGHTS

SUPPLEMENTARY MEDICAL PLAN

Your benefit coverage [1,2]	Basic	Enhanced	Catastrophic	Opt-out
Reimbursement level	• 70% • Subject to a lifetime maximum	• 80% • 90% hospital • Subject to a lifetime maximum	• 100% after $5,000 annual deductible per insured • Subject to an annual and lifetime maximum	Not covered
Hospital	Semi-private	Semi-private	Semi-private	
Private duty nursing	$25,000 lifetime	$25,000 lifetime	$25,000 lifetime	
Convalescent/Nursing home	$25,000 lifetime	$25,000 lifetime	Not covered	
Paramedical (including physiotherapy)	$500 combined per benefit period	$800 combined per benefit period		
Dental accident	70%	80%		
Hearing aids	$300 every four years	$500 every four years		
Vision care	Not covered	$150 every 24 months		
Medical equipment & supplies	70%	80%		

PRESCRIPTION DRUG PLAN

Your benefit coverage [1,2]	Basic	Enhanced	Catastrophic	Opt-out
Reimbursement level	• 70% • Formulary A • Subject to a lifetime maximum	• 80% • Formulary B • Subject to a lifetime maximum	• 100% • Formulary B • Subject to annual and lifetime maximums	Not covered
Annual deductible	$0	$0	$5,000	

ANNUAL / LIFETIME MAXIMUMS[3]
SUPPLEMENTARY MEDICAL AND PRESCRIPTION DRUG

Your benefit coverage [1,2]	Basic	Enhanced	Catastrophic	Opt-out
Lifetime maximums apply to eligible medical and prescription drug expenses incurred after retirement. Excludes Vision, Dental and Emergency Out-of-Province/ Country Medical and Travel Assistance	$250,000 lifetime per insured	$400,000 lifetime per insured	$250,000 annual maximum to a lifetime maximum of $600,000 per insured	Not applicable

[1] *Retirees under the age of 65 who reside in Quebec must select either the Basic or Enhanced plan options (for themselves and their eligible dependents) unless they are covered by another group insurance plan. They are not eligible for the Catastrophic or Opt-out plan options under Quebec law.*

[2] *All maximums are per covered person. A covered person refers to the retiree and any eligible dependents. The benefit period is January 1 to December 31.*

[3] *Should you reach the lifetime maximum, you will be moved to the Opt-out healthcare option. Although the lifetime maximum has been reached, you will continue to qualify for the annual flex credit allotment. Under the Opt-out option, flex credits will be deposited to a Health Spending Account (HSA) where they can be used to purchase a wide range of eligible medical and dental services as defined by the Income Tax Act (Canada).*

Emergency Out-of-Province/Country Medical and Travel Assistance Plan

Your benefit coverage [1,2]	Basic	Enhanced	Catastrophic	Opt-out
Coverage for the first 31 days of a trip	100%	100%	Not covered	Not covered

Dental Plan

Your benefit coverage [1,2]	Basic	Enhanced	Catastrophic	Opt-out
Basic	50%	70%	Not covered	Not covered
Endodontic / Periodontic	50%	70%		
Major restorative	• Dentures only • $250 every 5 years	50%		
Annual maximum	$1,000 per year	$3,000 per year		

Health Spending Account (HSA)

Your benefit coverage [1,2]	Basic	Enhanced	Catastrophic	Opt-out
***Flex credits* may be used to pay for eligible medical, drug or dental expenses**	Excess *flex credits* are deposited in your HSA	Excess *flex credits* are deposited in your HSA	Excess *flex credits* are deposited in your HSA	All *flex credits* are deposited in your HSA

Retiree Basic Life

Company-paid life insurance in the amount of $10,000 for retiree only.

Access to Additional Coverage

The following insurance programs are available to retirees at discounted rates through RBC Insurance.

Long Term Care Insurance

Offers additional financial protection if you:

1. lose the ability to care for yourself, and
2. require the services of a long-term care facility or home care

Travel Medical Insurance

You may purchase coverage from the first day of your trip, if the *Retiree FlexBenefits* option you've elected does not provide any out-of-country emergency medical coverage, or extend coverage beyond the first 31 days.

Optional benefits

Optional Life Insurance

Offers continued optional life insurance coverage for you and/or your spouse/partner and dependent children.

Optional Retiree Life Insurance

- For retiree under age 65: continue coverage at existing or reduced level in multiples of 1 to 7 times your *benefit base* at retirement
- For retiree age 65 to 70: maximum coverage reduces to 100% of your *benefit base*
- For retiree age 70 and up: maximum coverage reduces to 50% of your *benefit base*

Optional Spousal Life Insurance

- For spouse/partner under age 65: continue spousal coverage at existing or reduced level to a maximum of $90,000
- For spouse/partner age 65 and up: maximum coverage reduces to 50% of previous spousal coverage, to a maximum of $45,000

Optional Dependent Child(ren) Life Insurance

- Continue coverage of $10,000
- Coverage ends when you reach age 70 or your covered child(ren) are no longer an eligible dependent, whichever comes first

Benefit base

Your benefit base equals either your current salary or, if you were on an average earnings formula, the average of your eligible earnings for the two previous calendar years, including salary/draw and any regular, ongoing variable pay (e.g., commissions, IA bonus) as designated in your compensation structure/plan and approved by Corporate Compensation. Benefit base excludes any annual or year-end incentive(s)/bonus, or other specified incentives.

Optional Accidental Death & Dismemberment (AD&D) Insurance

Offers continued coverage for accidental injury for yourself, your spouse/partner, and/or your dependent children.

Retiree AD&D

- For retiree under age 65: continue coverage at existing or reduced level (in units of $50,000) to a maximum of $500,000
- For retiree age 65 to 69: maximum coverage reduces to $150,000
- Coverage ends at age 70

Spousal AD&D

- For spouse/partner under age 65: continue spousal coverage at existing or reduced level (in units of $50,000) to a maximum of $500,000 or amount of your Retiree AD&D coverage, whichever is lower
- For spouse/partner age 65 to 69: maximum spousal coverage reduces to $150,000 or amount of your Retiree AD&D coverage, whichever is lower
- Coverage ends when you or your spouse/partner reach age 70, whichever comes first

Dependent Child(ren) AD&D

- For retiree under age 65: continue dependent coverage at existing or reduced level (in units of $25,000) to a maximum of $100,000 or amount of your Retiree AD&D coverage, whichever is lower
- Coverage ends when you reach age 70 or your covered child(ren) are no longer an eligible dependent, whichever comes first

Important information

Eligibility

You are eligible to participate in the *Retiree FlexBenefits* program provided you:

- formally retire from RBC (on or after January 1, 2010);
- are at least 55 years of age;
- are residing in Canada;
- have 10 years of continuous service from your *benefits eligibility date* [1,2];
- have completed at least 10 years of *pensionable service* [3] immediately prior to retirement date;
- are accruing pensionable service in one of RBC's Canadian pension plans immediately prior to your retirement; and
- have coverage under a provincial healthcare plan.

[1] **Benefits eligibility date:** *The start of your most recent period of continuous service in which you qualified for employee benefits. If you were an intermittent employee, this is the date you first meet the minimum earnings requirement for eligibility.*

[2] *Employees retiring on or after* ***July 1, 2011*** *must have* ***five years*** *of* benefits eligibility *in the last 10 years.*

[3] **Pensionable service:** *Your total years of membership in the RBC Retirement Program, pro-rated if you work part-time, up to a maximum of 35 years in the defined benefit (DB) and defined contribution (DC) options combined.*

Flex credits

As an eligible retiree, each year you will receive an annual *flex credit* allotment – currently $50 for each full *year of service*, to a maximum of 35 years. You will use these *flex credits* – together with personal payments, as required – to purchase your preferred benefit option and level of coverage. Excess annual *flex credits*, if any, will be deposited into your Health Spending Account (HSA).

If you have worked on an intermittent basis from January 1, 2010 onwards, your annual *flex credit* allotment will be adjusted to reflect your reduced work arrangement.

At retirement, any remaining balance in your HSA under the *FlexBenefits* program for active employees may **not** be carried over to the *Retiree FlexBenefits* program. However, you will have up to 90 days after your retirement date to file any claims that you incurred prior to your retirement.

If you die, your surviving spouse/partner/eligible dependents will remain eligible to receive a continuing *flex credit* allotment – currently $25 per year of your service, to a maximum of 35 years.

Making your choices

Prior to your retirement, you will be required to enroll in the *Retiree FlexBenefits* program. You will choose one of the four healthcare benefit options available to you and your preferred level of coverage. This is a one-time opportunity, at the time of your retirement, to select your coverage. Once made, your choice will be locked in for the duration of your retirement. Therefore, please consider your choice carefully, as you cannot change it in the future. Refer to your retirement letter for instructions on how to enroll.

The effective date of coverage is the date your retirement benefits commence, provided you complete the online enrollment process by the enrollment deadline stated in your retirement information package. Regular monthly premiums will be deducted from your bank account through pre-authorized debit and/or from your pension payment if you are a member of the Defined Benefit (DB) option of the RBC Retirement Program.

For more information on *Retiree FlexBenefits* coverage for Quebec residents, see page 34.

If you don't enroll

You must enroll by the enrollment deadline stated in your retirement information package. If you fail to do so, you will be enrolled automatically in the *Opt-out* option. If you are a Quebec resident and under age 65, you will be enrolled automatically in the *Basic* option. This default coverage will remain in effect for the duration of your retirement. Any excess *flex credits* will be deposited in your Health Spending Account.

Price tags

The price tags for coverage under the *Retiree FlexBenefits* program vary by region:

- **Atlantic** – New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island;
- **Central** – Ontario and Quebec;
- **Western** – Manitoba, Alberta, British Columbia as well as Yukon, Northwest Territories, and Nunavut; and
- **Saskatchewan**.

This regional pricing structure is based on the integration of *Retiree FlexBenefits* coverage with the provincial healthcare plans. The provincial plans provide different levels of coverage that impact the supplementary coverage provided under *Retiree FlexBenefits*. Where applicable, the price tags reflect the fact that some provinces increase healthcare coverage at age 65.

Quebec residents

For retirees living in Quebec, and below age 65, the law requires that you select a minimum level of drug coverage for you and your eligible dependents (i.e., coverage that is compliant with the Régie de l'assurance-maladie du Québec (RAMQ)), unless you have comparable coverage under another plan. Your healthcare benefit options are therefore limited to **Basic** *or* **Enhanced** *coverage.* *Please see page 34 for more information.*

Refer to the *Retiree FlexBenefits* **Price Tags** document for the current monthly healthcare premiums.

Covering your family

Benefit plans are not just about you; they are also about your family. That's why the *Retiree FlexBenefits* program allows you to extend coverage to your eligible family members (see below) under the available healthcare benefit options. There are three levels of coverage:

- **Retiree only** – only you will be covered.
- **Retiree + one dependent** – you and your spouse/partner or eligible dependent child will be covered.
- **Retiree + two or more dependents** – you, your spouse/partner and/or eligible dependent children will be covered.

The level of coverage you select will apply to each of the available plans – Supplementary Medical, Prescription Drug, Dental and Emergency Out-of-Province/Country Medical and Travel Assistance. You may **not** elect a different level of coverage for each plan.

As you might expect, the annual cost for *Retiree + one* coverage will be higher than *Retiree only* coverage. Likewise, the annual cost of *Retiree + two or more* coverage will be higher than *Retiree + one* coverage.

Eligible dependents

Spouse/partner is defined as:

The person of the same or opposite sex who, **at the date of your retirement:**

- is legally married to you; or
- has been living with you in a common-law relationship for at least a year, and whom you publicly represent as your spouse/partner; and
- has coverage under a provincial healthcare plan; and
- is residing in Canada.

You may qualify only one person as your spouse/partner.

A **divorced spouse** is not eligible for coverage. Also, a spouse/partner that you acquire **after the date of your retirement** is not eligible for coverage.

Dependent children are defined as:

A natural or adopted child of you and/or your spouse/partner who is:

- unmarried and dependent on you for support; and
- residing in Canada;

and is:

- under age 21; or
- under age 25, if attending school full-time at a post-secondary institution, such as a college or university (under 26 for prescription drug coverage in Quebec); or
- any age, with pre-approval of the plan administrator, if the child:
  - is unmarried, unemployed, and financially dependent on you due to a mental or physical disability; and
  - was disabled before age 21; and
  - was covered under an RBC benefits plan prior to age 21.

If a child becomes disabled while a dependent, the age limit specified above does not apply, provided an extension of coverage beyond the limiting age has been applied for and approved by the plan administrator.

Gaining or losing a dependent

You may change your level of coverage, up or down (e.g., from *Retiree + one* down to *Retiree only,* or *Retiree + one* up to *Retiree + two or more*), only under the following circumstances:

- a separation or divorce;
- disqualification of a spouse/partner or dependent child;
- the death of a spouse/partner or dependent child; or
- a dependent child over age 21 returning to school full-time (in which case you can increase your level of coverage).

The circumstances noted above allow you to change the level of coverage; however, you may **not** select a new benefit option.

Marriage after retirement

If you should marry, remarry, or acquire a new partner after your retirement, your new spouse/partner is not eligible for benefits. In the event you subsequently die and are survived by your new spouse/partner, he or she is still not eligible for benefits.

Co-ordinating claims

If you, your spouse/partner, or an eligible dependent are covered under the *Retiree FlexBenefits* program and are also covered for similar benefits under another group plan, your expense claims may be co-ordinated under both plans. Keep in mind, payment from all sources cannot exceed the total of all eligible expenses incurred.

Co-ordination of benefits can also apply in situations where your spouse/partner works for, or has retired from RBC. This includes initial expenses that involve the use of a pay-direct drug code under the *FlexBenefits* program for active employees, or the *Retiree FlexBenefits* program. In these situations, Sun Life will automatically co-ordinate the claim based on the information provided.

To ensure prompt processing of claims, you are required to comply with the following industry procedures:

- You must submit claims for yourself through the *Retiree FlexBenefits* program first. Any unpaid personal claims can then be submitted through your spouse's or partner's plan.
- Your spouse/partner must submit personal claims through his or her benefit plan first. If that plan doesn't cover the full cost of the service or procedure, you can claim the remaining expense through the *Retiree FlexBenefits* program.
- Claims for dependent children are to be submitted first to the plan of the parent whose birthday falls earlier in the year. If you were born in March, for example, and your spouse/partner was born in July, you would submit claims for dependent children to the *Retiree FlexBenefits* program first. Again, any uncovered expenses could, in turn, be submitted to your spouse's or partner's plan as a secondary payer.
- If you are actively employed (other than at RBC), you must first submit claims for you and your covered dependents to your employer's service provider(s). Any unpaid claims can then be submitted through the *Retiree FlexBenefits* program.

Note

RBC and its subsidiaries reserve the unilateral right to change, amend or terminate the contracts and/or policy documents at any time, and may be required to do so because of changes to legislation. In addition, RBC reserves the right to amend the terms and conditions of the various coverages, as well as the amount charged to the individual.

Claim payments and Explanation of Benefits

Reimbursement of claims is credited directly to the bank account to which your pre-authorized regular monthly premiums are deducted and/or your pension payments are made. An Explanation of Benefits (EOB) will be provided, reflecting both the amount eligible and the amount reimbursed.

If you prefer, a "paperless" EOB may be e-mailed to you once your claim has been processed. You can register for paperless EOBs from Sun Life Member Services, Paperless Payments at: www.mysunlife.ca. If you do not register for the paperless option, an EOB will be mailed to the home address on your claim form.

Your healthcare options

The *Retiree FlexBenefits* program offers four important benefit options that give you the flexibility to choose the healthcare coverage you need and want. Your choices are as follows:

- **Option 1: Basic** – covers a broad range of healthcare needs at a 70% reimbursement level (subject to a lifetime maximum of $250,000 per insured individual).
- **Option 2: Enhanced** – covers a broad range of healthcare needs at an 80% reimbursement level (subject to a lifetime maximum of $400,000 per insured individual).
- **Option 3: Catastrophic** – covers your prescription drug expenses, plus some medical and hospital expenses, at a 100% reimbursement level after your annual out-of-pocket expenses reach a $5,000 cap (subject to an annual maximum of $250,000, up to a lifetime maximum of $600,000 per insured individual).
- **Option 4: Opt-out** – places all your *flex credits* in your Health Spending Account (HSA).

If you are a Quebec resident, the *catastrophic* and *opt-out* options are available only if you have existing healthcare coverage elsewhere. Quebec residents, see page 34 for more details.

Keep in mind that you may choose only one benefit option, which will apply across all healthcare plans available under that option. For example, if you choose the *Basic* option, you will be enrolled for *Basic* coverage under the Supplementary Medical, Prescription Drug, and Dental Plans. You may **not** make multiple elections (for example, you cannot choose *Basic* Supplementary Medical and *Enhanced* Prescription Drug coverage).

If you elect to *Opt-out*, you will not have coverage under any of the Supplementary Medical, Prescription Drug, or Dental Plans or Emergency Out-of-Province/Country Medical and Travel Assistance Plan. However, your *flex credits* will be deposited to your Health Spending Account where they can be used to pay for eligible medical and dental expenses as defined by the Canada Revenue Agency.

You may choose only one level of coverage (i.e., *Retiree only, Retiree + one,* or *Retiree + two or more*) which will apply to all plans available under that option. For example, if you elect *Retiree only*, this level of coverage will apply across all the plans.

Supplementary Medical Plan

Coverage under the Supplementary Medical Plan is summarized in the following table.

Supplementary Medical Plan

Your coverage	Basic	Enhanced	Catastrophic*	Opt-out*
Reimbursement level	• 70% • Subject to a lifetime maximum	• 80% • 90% hospital • Subject to a lifetime maximum	• 100% after $5,000 annual deductible per insured • Subject to annual and lifetime maximums	Not covered
Hospital	Semi-private	Semi-private	Semi-private	
Private duty nursing	$25,000 lifetime	$25,000 lifetime	$25,000 lifetime	
Convalescent/Nursing home	$25,000 lifetime	$25,000 lifetime	Not covered	
Dental accident	70%	80%		
Paramedical (including physiotherapy)	$500 combined per year	$800 combined per year		
Hearing aids	$300 every four years	$500 every four years		
Vision care	Not covered	$150 every 24 months		
Medical equipment & supplies	70%	80%		
Annual & lifetime maximums • Apply to eligible **medical** and **prescription drug** expenses incurred after retirement.	$250,000 lifetime per insured	$400,000 lifetime per insured	$250,000 annual maximum, to a lifetime maximum of $600,000 per insured	

** Quebec residents: If you retire before age 65, you are required to choose RAMQ-compliant coverage. This means your choices are limited to the Basic and Enhanced options, unless you have comparable RAMQ coverage elsewhere. If you retire from age 65 on, you will be permitted to select the Catastrophic or the Opt-out option only if you have RAMQ coverage or alternative coverage under another healthcare plan.*

Eligible expenses

The following is a summary of the eligible expenses that will be covered, at the set reimbursement rate, under each healthcare option – *Basic* at 70%, *Enhanced* at 80% (90% for hospital expenses), and *Catastrophic* at 100% after your $5,000 annual deductible – up to the lifetime maximums and in the case of *Catastrophic*, annual and lifetime maximums. These expenses are eligible provided they are:

- medically necessary,
- reasonable and customary,
- recommended by a qualified physician, and
- covered under the option you select.

Reasonable and customary

The program will reimburse the cost of eligible services or supplies (subject to the terms and limits of your coverage) up to the reasonable and customary rates in the province where you live. The program will not pay for costs that exceed these reasonable and customary rates.

Hospital – covers the difference between the public ward allowance under your provincial healthcare plan and the cost of semi-private accommodation in a Canadian hospital. Coverage is from the first day of your hospital stay.

Private duty nursing – covers care provided in the home (excluding custodial care) by a provincially-licensed registered nurse or nursing assistant, who is not a member of your family, and does not normally live in your home. Coverage is subject to a physician's written recommendation, and is limited to a lifetime maximum of $25,000 per person under the *Basic, Enhanced* and *Catastrophic* options.

Convalescent / Nursing Home – covers semi-private room accommodation in a qualified convalescent hospital or nursing home for up to 180 days, provided such is recommended by the attending physician and begins within 14 days following hospitalization. Coverage is limited to a lifetime maximum of $25,000 per person. Coverage is not provided under the *Catastrophic* option.

Ambulance – covers the use of a licensed ambulance for transportation to and from a hospital. Only those expenses not covered by your provincial healthcare plan will be reimbursed. Coverage is not provided under the *Catastrophic* option.

Dental accident – covers eligible expenses for dental services to repair damage to natural teeth caused by an accidental blow. Treatment within 12 months of the accident will be covered. Coverage is not provided under the *Catastrophic* option.

Paramedical – covers the services of physiotherapists, psychologists, chiropractors, osteopaths, naturopaths, podiatrists, chiropodists, acupuncturists, massage therapists, orthotherapists, occupational therapists, visual therapists, speech therapists and audiologists, including diagnostic X-rays. Paramedical services must be provided by a licensed practitioner to qualify for reimbursement. You do not, however, need to be referred for treatment by a physician. Only those expenses not covered by your provincial healthcare plan will be reimbursed.

Coverage is subject to the applicable maximums of $500 combined per year under the *Basic* option, and $800 combined per year under the *Enhanced* option. Coverage is not provided under the *Catastrophic* option.

Diagnostic tests and X-ray services – covers laboratory tests and diagnostic services done in a commercial laboratory, provided reimbursement is not available under your provincial healthcare plan. Coverage includes:

- blood tests and blood plasma;
- echography (e.g., ultrasound) other than for pregnancy;
- X-rays, radium and isotope therapy; and
- thermograms and mammograms.

Coverage is not provided under the *Catastrophic* option.

Eye examinations – eye examination by a qualified ophthalmologist or optometrist, once every 24 months (12 months for dependent children age 16 or under). Eye examinations are not part of the vision care benefit maximum. Coverage is not provided under the *Basic* or *Catastrophic* options.

Vision care – covers the cost of eyeglasses or contact lenses prescribed by an ophthalmologist or optometrist, or laser eye surgery performed by an ophthalmologist, up to the applicable maximums of $150 once every 24 months (12 months for dependent children age 16 or under). It is important to note that your vision care claims will be reviewed based on purchase dates, and not on the date of your eye examination or prescription. Coverage is not provided under the *Basic* or *Catastrophic* options. Eligible expenses reimbursed are not part of the annual/lifetime maximum under the *Enhanced* option.

Hearing aids – covers hearing aids prescribed by an ear, nose and throat specialist, and hearing aid batteries and/or molds, subject to the plan maximums of $300 under the *Basic* option, and $500 under the *Enhanced* option, every four years. It is important to note that a hearing-aid claim will be reviewed based on your purchase date, and not on the date of your examination or prescription. Coverage is not provided under the *Catastrophic* option.

Medical equipment & supplies* – on a physician's written recommendation, the plan coverage includes (but is not limited to):

- Wheelchair, hospital bed, or other durable equipment rented (or purchased at Sun Life's option) for temporary therapeutic use, casts, splints, trusses, braces and crutches, and the initial issue or replacement of artificial limbs or eyes to replace natural limbs or eyes lost, but excluding myoelectric appliances. Sales tax and delivery charges will be considered eligible expenses.
- Charges for a dextrometer, a glucometer or a medi-jector rented (or purchased at Sun Life's option), provided only for an insulin-dependent diabetic whose control is difficult to maintain with conventional methods, and if recommended in writing by a specialist in internal medical or a diabetologist. Charges for the repair of a dextrometer or a glucometer, due to medical necessity, or for its replacement, provided at least five years have elapsed since the equipment being acquired.

* *(Coverage is not provided under the* **Catastrophic** *plan option)*

- Charges for breast prostheses and surgical brassieres required as a result of surgery, up to three brassieres and a combined maximum benefit payable of $1,000 per person, per *benefit period*.
- Wigs – reimbursement at your option level, for the cost of wigs when your loss of hair is due to unnatural causes, such as post-chemotherapy hair loss, to a maximum benefit of $200 every 24 months (includes alopecia).
- Orthopedic shoes – reimbursement (under the *Enhanced* option only), for custom-made or modifications to orthopedic shoes, when prescribed by a doctor, podiatrist or chiropodist, limit of one pair up to a maximum of $200 per *benefit period*.
- Orthotic inserts – reimbursement (under the *Enhanced* option only), for custom-made orthotic inserts for shoes, when prescribed by a doctor, podiatrist, or chiropodist, up to a maximum of two pairs per *benefit period*.
- Home care equipment – reimbursement of the cost for medically-required home care equipment, subject to a doctor's written recommendation. Percentage coverage and the lifetime maximum differ by plan option. Refer to Sun Life for details and prior approval. Items considered eligible for reimbursement are: bathroom safety items (for disabled persons) and wheelchair ramps. Not eligible are items such as: air filters for furnaces, and Obus Forme backrest supports.

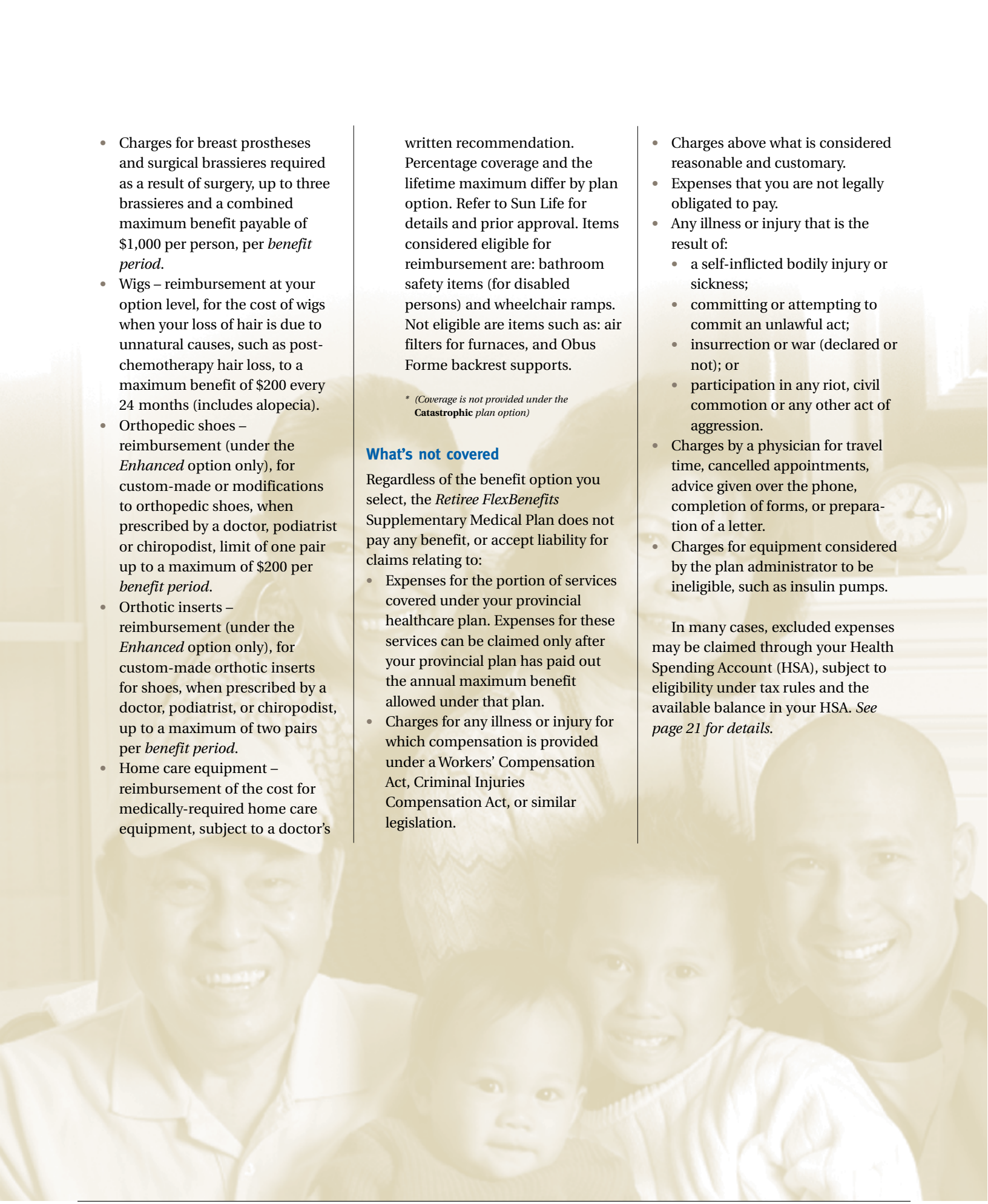
* *(Coverage is not provided under the* **Catastrophic** *plan option)*

What's not covered

Regardless of the benefit option you select, the *Retiree FlexBenefits* Supplementary Medical Plan does not pay any benefit, or accept liability for claims relating to:

- Expenses for the portion of services covered under your provincial healthcare plan. Expenses for these services can be claimed only after your provincial plan has paid out the annual maximum benefit allowed under that plan.
- Charges for any illness or injury for which compensation is provided under a Workers' Compensation Act, Criminal Injuries Compensation Act, or similar legislation.
- Charges above what is considered reasonable and customary.
- Expenses that you are not legally obligated to pay.
- Any illness or injury that is the result of:
  - a self-inflicted bodily injury or sickness;
  - committing or attempting to commit an unlawful act;
  - insurrection or war (declared or not); or
  - participation in any riot, civil commotion or any other act of aggression.
- Charges by a physician for travel time, cancelled appointments, advice given over the phone, completion of forms, or preparation of a letter.
- Charges for equipment considered by the plan administrator to be ineligible, such as insulin pumps.

In many cases, excluded expenses may be claimed through your Health Spending Account (HSA), subject to eligibility under tax rules and the available balance in your HSA. *See page 21 for details.*



Emergency Out-of-province/country Medical and Travel Assistance Plan

The *Basic* and *Enhanced* options include coverage under the *Retiree FlexBenefits* program's Emergency Out-of-Province/Country Medical and Travel Assistance Plan. This plan provides both assistance and financial protection if you have a medical emergency during the *first 31 days* of a trip outside your province of residence. If you elect *Retiree + one*, or *Retiree + two or more* coverage, your spouse/partner and/or eligible dependents will also qualify for coverage.

Eligible expenses

The plan covers reasonable and customary expenses *(see reasonable and customary,* page 13*)* for:

- hospital room and board in a ward or semi-private room, for amounts in excess of coverage by your provincial healthcare plan or other sources of similar coverage;
- hospital services and supplies;
- the services of a licensed doctor;
- diagnostic services;
- out-patient services; and
- ground and air ambulance transportation to and from a hospital when medically necessary and pre-approved by *Assured Assistance Inc.*

The plan will reimburse 100% of eligible expenses not covered or in excess of coverage under your provincial healthcare plan or other sources of similar coverage. In all cases, treatment must be the result of a medical emergency that occurs while you and/or your covered family members are temporarily outside of your province of residence or Canada, and within the first 31 days of your departure. Any eligible expenses are not counted towards the lifetime maximum under the *Basic* or *Enhanced* option.

Travel medical & claim assistance

The plan provides emergency medical and claim assistance through a world-wide communications network that operates 24 hours a day, seven days a week. The network locates medical services and obtains insurer approval for covered services.

If you, your spouse/partner or eligible dependents experience an unexpected medical emergency that requires immediate treatment while travelling, you should contact *Assured Assistance Inc.* at:

- Canada and the U.S.: 1-866-496-5254 (toll-free)
- Worldwide: 905-816-1202 (collect)
- Fax: 1-905-813-4719 (outside North America)
- Fax: 1-888-298-6340 (toll-free in North America)

Travel assistance card

A travel assistance wallet card with the contact information listed above can be found on page 36.

Medical assistance services

Assured Assistance Inc. provides a number of important medical services:

- Emergency response in many different languages.
- Referral to certified medical facility.
- Arrangement of direct payment, whenever possible, to the provider for reasonable and customary expenses for the treatment of an unexpected medical emergency (provided those expenses are in excess of amounts covered by your provincial healthcare plan).

Coverage includes:

- hospital room and board,
- hospital services and supplies,
- diagnosis and treatment by a physician, and
- out-patient services.

- Emergency transportation to a facility that is equipped to provide the necessary treatment.
- Contacting and updating your family, place of business or family physician.
- Monitoring of the medical treatment with the medical professionals treating you.

Non-medical assistance services

The plan also covers a number of non-medical services:

- Subsistence allowance that covers reimbursement for the covered person's commercial accommodations and meals, essential telephone calls and taxi fares, if, upon physician's advice:
  - the covered person, or the covered person's travelling companion (who must be covered under this plan), are relocated to receive medical attention; or
  - the covered person is delayed beyond his/her return date in order to receive emergency treatment for an emergency covered under this insurance.

  The benefit is up to C$150 per day to a maximum of C$1,500 per family. This benefit is subject to the pre-authorization of *Assured Assistance Inc.*
- Return transportation (via economy class) for children left unattended due to the death or hospitalization

Emergency Out-of-Province/Country Medical and Travel Assistance Plan

Your coverage	Basic	Enhanced	Catastrophic	Opt-out
Coverage for the first 31 days of a trip	100%	100%	Not covered	Not covered

of a covered person. Where necessary, a qualified attendant will be provided.
- Economy-fare transportation for one family member to join a covered person who, while travelling alone, has been hospitalized for more than four consecutive days. No coverage under this plan is extended to the family member unless considered a covered person under this plan.
- The extra cost of a one-way economy-class ticket home for covered persons who miss their originally scheduled flight due to an accident or illness.
- If the covered person is unable to drive for medical reasons, and no one else is available to drive, the plan will pay up to $1,000 towards returning the covered person's vehicle to his or her home, or the nearest rental agency.
- If deceased, preparation of a covered person's remains, to a maximum of $3,500, and transportation to his or her hometown in Canada provided the return transportation is pre-approved by *Assured Assistance Inc.* Coverage does not include the cost of cremation or burial.

What's not covered

The following expenses will not be covered:
- Any illness or injury that occurs beyond the 31st day of your trip outside of your province of residence or Canada.
- Treatment for any medical condition:
  - that is not considered a medical emergency;
  - that, prior to your trip, it was reasonable to expect a covered person would require treatment or hospitalization during your trip;
  - that, prior to your trip, was identified as requiring immediate care or further investigation or treatment other than routine monitoring;
  - that continues or recurs after you have been advised to return home or move to a different medical facility.
- Claims arising from pregnancy or childbirth after the 31st week of pregnancy (including care for a child born during your trip).
- Charges for treatment if you are medically able to return home or transfer to a medical facility that is part of the *Assured Assistance Inc.* medical network.
- Charges for invasive or aggressive investigation or surgery that is not pre-authorized by *Assured Assistance Inc.*
- Any illness or injury resulting from:
  - a self-inflicted bodily injury or sickness;
  - committing or attempting to commit an unlawful act;
  - insurrection or war (declared or not);
  - participation in any riot, civil commotion or any other act of aggression;
  - any occupation or paid employment;
  - an accident while operating a vehicle, vessel or aircraft while impaired by drugs or alcohol;
  - the abuse or chronic use of alcohol or drugs prior to or during your trip; or
  - deliberate non-compliance with medical treatment prescribed by a physician.
- Any medical treatment if you travelled to obtain medical treatment or advice.

Additional coverage for extended trips

- ***Beyond the first 31 days if you selected the Basic or Extended healthcare option, or***
- ***From the first day of your trip if you selected the Catastrophic or Opt out benefit options***

You may purchase travel medical insurance at discounted rates through **RBC Insurance**.

Under the *Basic* and *Enhanced* healthcare options – which include Emergency Out-of-Province/Country Medical and Travel Assistance coverage for the first 31 days of your trip – you may purchase travel medical coverage **beyond the first 31 days**.

Under the *Catastrophic* and *Opt out* benefit options – which **do not** include Emergency Out-of-Province/Country Medical and Travel Assistance coverage – you may purchase travel medical coverage **from the first day of your trip**.

Coverage must be in place prior to your trip.

You can apply for:

- single-trip coverage for one trip lasting up to 183 days, or
- multi-trip annual coverage of up to 365 days.

To obtain coverage or for more information call RBC Insurance at 1-800-565-3129, 6:00 a.m. to 12:00 a.m. ET, seven days a week.

You can find a full listing of RBC Insurance service centres and offices across Canada at: **www.rbcinsurance.com/contact_index.html**.

Definitions

Medical emergency: is a sudden, unforeseen injury or an acute episode of disease which commences during the period of coverage and which results in a medical condition requiring immediate treatment from a licensed physician or immediate hospitalization.

Medical condition: is accidental bodily injury or sickness (or a condition related to that accidental bodily injury or sickness), including disease, acute phychoses and complications of pregnancy occurring within the first 31 weeks of pregnancy.

Prescription Drug Plan

Your coverage	Basic	Enhanced	Catastrophic	Opt-out
Reimbursement level	• 70% • Formulary A • Subject to a lifetime maximum	• 80% • Formulary B • Subject to a lifetime maximum	• 100% • Formulary B • Subject to annual and lifetime maximums	Not covered
Annual deductible	$0	$0	$5,000	
Lifetime maximum • Apply to eligible medical and prescription drug expenses incurred after retirement.	$250,000 lifetime per insured	$400,000 lifetime per insured	$250,000 annual maximum, to a lifetime maximum of $600,000 per insured	

Prescription Drug Plan

The cost of prescription drugs is typically the largest and fastest growing healthcare cost for Canadians. The *Retiree FlexBenefits* program provides a range of coverage choices designed to assist in meeting your personal needs, and to supplement any coverage provided under provincial healthcare plans.

The Prescription Drug Plan's *Basic*, *Enhanced* and *Catastrophic* options provide prescription drug coverage under one of two drug formularies. A formulary is simply a list of eligible drugs covered by the plan.

- The *Basic* option covers drugs listed under Formulary A.
- The *Enhanced* and *Catastrophic* options cover drugs listed under Formulary B.

These two managed formularies are updated several times a year. New drugs are reviewed regularly, and generic drugs and line extensions are reviewed as they come on the market. New drugs are assessed by ReVue, an independent consulting group comprised of independent pharmacists, experts in drug research and physicians. Those drugs that receive a favourable assessment by ReVue are added to both Formulary A and B. You can review both formularies at www.mysunlife.ca.

Under the *Opt-out* option, prescription drug costs can be covered using the *flex credits* deposited to your Health Spending Account.

Pay-direct drug code

A pay-direct drug (PDD) code is provided under the *Basic*, *Enhanced*, and *Catastrophic* options. Under the *Catastrophic* option, you should use your PDD code for all claims at the pharmacy, however, claims are only considered eligible for reimbursement under the plan once you reach the $5,000 *benefit period* deductible.

To obtain your PDD code, either:

- print a copy from the Sun Life website at www.mysunlife.ca, or
- call Sun Life at 1-800-305-5905 to request your code. You will need to provide your retiree ID number (as found on your pension statement – the first eight digits), and your policy number (14178).

A pay-direct drug code allows your pharmacist to verify your coverage and process drug claims instantly, billing the plan directly for all eligible expenses. You pay only the portion of your drug expense that isn't covered. However, keep in mind that not all drug expenses can be processed with your PDD code.

Eligible expenses

The Prescription Drug Plan covers certain drugs prescribed by a physician, dentist or, where applicable under provincial law, other qualified health professionals. The plan covers the cost of prescription drugs up to the amount charged for a generic equivalent.

To be eligible for coverage, drugs must be:

- listed on the applicable managed formulary (i.e., Formulary A or B);
- listed in the federal or provincial drug schedules; and
- assigned a Canadian drug identification number (D.I.N.).

The payment for a single eligible drug expense is limited to the cost of a 34-day supply from the date of

Drug Formularies

You can review and compare both Formularies A and B by linking to Sun Life's member website at www.mysunlife.ca. You'll need your access ID and password. If you don't have an access ID, or forgot your ID or password, call Sun Life Financial's Customer Care Centre at 1-866-733-8613.

purchase. To request reimbursement for a 90-day supply of a particular maintenance drug instead of the usual 34-day supply, refer to the **RBC Pensioner website** or the Sunlife website at **www.mysunlife.ca** to print the Prescription Drug Plan Maintenance Drug Request form.

The following items are covered under both Formularies and are available using your pay-direct drug code:

- oral contraceptives;
- drugs for erectile dysfunction, up to $1,200 per person per *benefit period;*
- disposable needles, syringes, lancets and chemical reagent testing materials used to monitor diabetes;
- injectable drugs, vitamins and allergy extracts;
- extension devices for inhaled medications; and
- life-sustaining drugs (e.g., insulin).

The following items are covered, but are not available with your pay-direct drug code:

- vaccines used to prevent disease (for dependent children age 16 or under);
- diaphragms, intrauterine devices (IUDs), and contraceptive implants;
- colostomy supplies; and
- drugs for weight loss, provided:
  - they are prescribed for obesity or Type 2 diabetes,
  - a physician's written recommendation is submitted with your claim, and
  - the individual's body mass index is greater than 27 with comorbidities, or greater than 30 if no comorbidities.

Quebec residents

Retirees living in Quebec should be aware that some prescription and non-prescription drugs (and some dietary supplements) are covered by the Régie de l'assurance-maladie du Québec (RAMQ), except where covered by a group plan. As a result, *Retiree FlexBenefits* is obligated to cover these expenses. These expenses can be submitted to Sun Life for approval and payment up to the RAMQ reimbursement level, subject to your option's lifetime maximum.

For more information on *Retiree FlexBenefits* coverage for Quebec residents, see page 34.

What's not covered

- Non-prescription or over-the-counter drugs (except life-sustaining drugs approved by the plan administrator).
- Any drug or item that does not have a drug identification number (D.I.N.).
- Proprietary medicines bearing a GP (general product) number, as defined in Division 10 of the *Food and Drugs Act, Canada.*
- Homeopathic preparations.
- Drugs administered in a hospital, clinic or doctor's office on an in-patient or out-patient basis.
- Condoms or contraceptive applications (e.g., jellies, foams, sponges, suppositories, patches, etc.), whether or not prescribed for medical reasons.
- Oral vitamins, minerals, dietary supplements, infant formulas or injectable total parenteral nutrition (TPN) solutions.
- Atomizers, prosthetic devices, first aid kits, electronic diagnostic, monitoring or testing equipment, reusable insulin delivery devices, and spring-loaded devices to hold lancets.
- Drugs used for:
  - cosmetic purposes (e.g., sunscreen); or
  - smoking cessation.
- Muscle relaxants that do not require a prescription.
- Charges covered under any provincial plan.
- Any charges stemming from an illness or injury that is the result of:
  - a self-inflicted bodily injury or sickness;
  - committing or attempting to commit an unlawful act;
  - insurrection or war (declared or not);
  - participation in any riot, civil commotion or any other act of aggression; or
  - any occupation or paid employment.

Note: This is not an all-inclusive list.

Dental Plan

Your *Retiree FlexBenefits* Dental Plan offers coverage for a range of preventive, routine and restorative procedures under the *Basic* and *Enhanced* benefit options. No coverage is provided under the *Catastrophic* or *Opt-out* options. You select the level of coverage that works best for your situation.

Under the *Opt-out* option, dental costs can be covered using *flex credits* deposited to your Health Spending Account.

Keep in mind that the Dental Plan will reimburse only:

- reasonable and customary charges up to the amounts specified in the current fee schedule for general practitioners, as approved in your province of residence; and
- the least expensive service or supply that produces an adequate dental service.

Note: In Alberta, there is no fee schedule for general practitioners. Reimbursement rates for dental expenses are based on the fee schedule developed by the insurer.

Eligible expenses reimbursed under the Dental Plan are not counted towards the lifetime maximum available under the *Basic* or *Enhanced* option.

Remember, you can use *flex credits* in your Health Spending Account to

Dental Plan

Your coverage	Basic	Enhanced	Catastrophic	Opt-out
Basic	50%	70%	Not covered	Not covered
Endodontic / Periodontic	50%	70%		
Major restorative	• Dentures only • $250 every 5 years	50%		
Annual maximum	$1,000 per year	$3,000 per year		

offset the cost of those services and procedures that are not covered (or not fully covered) under the option you select – as long as the expense qualifies as an eligible deduction under Canada Revenue Agency (CRA) tax rules. For more information, visit the CRA website at www.cra-arc.gc.ca.

Eligible expenses

Basic routine services

Reimbursement (up to the rate specified for the *Basic* and *Enhanced* options) for the following services:

- one recall oral exam per person, including teeth cleaning, every nine months (every six months for dependent children age 16 or under);
- one complete oral examination and one specialty exam (one per person every 36 months);
- fluoride treatments every nine months (every six months for dependent children age 16 or under);
- polishing every nine months (every six months for dependent children age 16 or under);
- routine scaling (by a licensed dental hygienist);
- X-rays;
- test and lab exams for basic services;
- fillings (amalgam or composite);
- extractions;
- space maintainers;
- pit and fissure sealants;
- repair, relining or rebasing of dentures (by a licensed denturist, denture therapist, technician or mechanic); and
- oral surgery, including removal of impacted wisdom teeth.

Endodontic and periodontic services

Reimbursement (up to the rate specified for each level) for the following services:

- treatment of periodontal and other diseases of the gums or tissues of the mouth;
- endodontic treatment, including root canal therapy; and
- test and lab exams for endodontic and periodontic services.

Major restorative

Reimbursement (up to the rate specified for each level) for the following services:

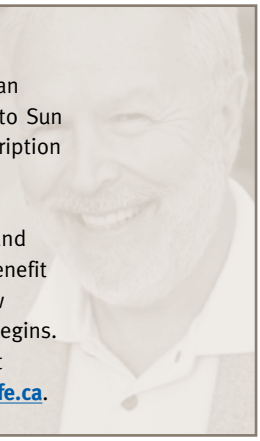
- the first installation, including adjustments, of a partial or full denture;
- replacement of a denture that is at least five years old and no longer serviceable;
- addition of teeth to an existing partial denture;
- first placement of inlays, onlays and crowns;
- veneers and veneer replacement (once every 36 months);
- replacement of inlays, onlays and crowns that are at least five years old and no longer serviceable;
- repair or recementing of bridgework;
- the first installation of bridgework;
- replacement of bridgework that is at least five years old and no longer serviceable; and
- test and lab exams for major restorative.

Implants are not covered. However, for an implant-related crown or prosthesis, the plan will pay the benefit that would have been payable for a tooth-supported crown or a non-implant related prosthesis, respectively. Any limitations that

Treatment plan

If treatment under the Dental Plan is expected to cost more than $500, you should ask your dentist to submit a treatment plan to Sun Life before treatment begins. A treatment plan is simply a description of the proposed procedure and its related cost.

As plan administrator, Sun Life will review the treatment plan and report what portion of the cost (if any) is covered under the benefit option you have selected. This will allow you to determine how much reimbursement you can expect – before your treatment begins. For more information, call the Sun Life Customer Care Centre at 1-800-305-5905, or go to the member website at www.mysunlife.ca.



would have applied if there had been no implant will be taken into account. All other expenses related to implants, including surgery charges, are not covered.

What's not covered

- Supplies usually related to sports (e.g., mouth guards).
- Expenses covered under another *Retiree FlexBenefits* plan (e.g., Supplementary Medical) or any other policy (e.g., under another group plan).
- Charges that exceed the reasonable and customary rates for the least expensive alternative service or material that is consistent with normal dental care.
- Services or supplies that are considered by the plan administrator to be unreasonable under the terms of the contract.
- Expenses you would not normally incur in the absence of this coverage.
- Cosmetic dental care.
- Services or supplies for implantology.
- Charges related to temporomandibular joint (TMJ) treatment.
- Charges for a missed appointment, counselling or completion of a claim form.
- Experimental treatment.
- Expenses for lost or stolen dentures.
- Expenses arising from:
  - a self-inflicted bodily injury or sickness;
  - committing or attempting to commit an unlawful act;
  - insurrection or war (declared or not);
  - participation in any riot, civil commotion or any other act of aggression; or
  - injury or illness arising out of any occupation.

Health Spending Account (HSA)

The Health Spending Account allows you to use excess *flex credits* to pay for a number of health-related expenses not covered, or only partly covered under the *Retiree FlexBenefits* program option you've selected, including the *Catastrophic* and *Opt-out* options.

The HSA may also help you to pay medical and dental related expenses for dependents who aren't covered (or aren't eligible for coverage) under your *Retiree FlexBenefits* healthcare plans, but who do qualify as dependents for tax purposes. This can include anyone who is recognized as your dependent under Canada Revenue Agency (CRA) tax rules – such as a spouse/partner acquired after your retirement, a parent, brother, sister, or grandchild. For more information, visit the CRA website at **www.cra-arc.gc.ca**.

How it works

As an eligible participant in the *Retiree FlexBenefits* program, you'll receive an annual *flex credit* allotment, currently equal to $50 for each *year of service*, to a maximum of 35 years. These *flex credits* are used to help cover the cost of your benefit selections under the various healthcare plans (i.e., Supplementary Medical, Prescription Drug and Dental). Any excess *flex credits* not used to pay for your preferred benefit option will flow automatically to your Health Spending Account.

The money in your HSA can be used to reimburse any eligible medical, drug or dental expenses that are not covered (or not fully covered) by your *Retiree FlexBenefits* healthcare plans. The more *flex credits* that flow to your HSA, the more money you'll have available.

Say, for example, you elect the *Basic* option, which doesn't include vision care coverage, but you purchase a new pair of prescription eyeglasses. Your HSA can reimburse up to the full cost of your prescription eyeglasses, provided you have enough *flex credits* in your HSA.

Eligible expenses

Your HSA covers all eligible expenses as defined in the Canada Revenue Agency (CRA) tax rules – but only to the extent that those expenses are not covered under a provincial or private healthcare plan.

There are literally hundreds of eligible expenses that are covered – everything from laser eye surgery to teeth bleaching. For a complete list of covered expenses, link to the CRA's bulletin on medical expenses at **www.cra-arc.gc.ca/E/pub/tp/it519r2-consolid/README.html**.

To qualify as an eligible expense, the service, procedure or item must be provided or prescribed by a medical practitioner who is licensed in the province in which he or she is practising.

Your expense claims should first be submitted to the *Retiree FlexBenefits* plan for payment (unless you have chosen the *Opt-out* option), or any other benefit plan you are covered under, before you submit them to your HSA. Your HSA will cover only those expenses that aren't covered, or aren't fully covered, by any other plan you may be eligible for.

Use it or lose it

For the HSA to qualify as a tax-preferred program, the CRA requires your HSA to have an element of risk. This risk is what we call the "use-it-or-lose-it factor."

Based on current CRA provisions, if you have *flex credits* remaining in your account at the end of the *benefit period* (i.e., at December 31), you can carry forward your *flex credits* for one *benefit period* to cover any outstanding expenses incurred before the end of the original benefit period. If you do

not use these *flex credits* before the end of the following *benefit period* (i.e., the following December 31), they will be forfeited. You can submit a claim for an eligible expense incurred in the same year as the *flex credits* were allotted, up to as late as December 31 of the following *benefit period*.

For example, *flex credits* provided for the *benefit period* January 1, 2010 to December 31, 2010, will be carried forward to the next *benefit period*, that is, January 1, 2011 to December 31, 2011. Any eligible expense incurred up to December 31, 2010, can be submitted up to one year from the date of the eligible expense, but no later than December 31, 2011.

Survivor Benefits

The *Retiree FlexBenefits* healthcare plans, (e.g., Supplementary Medical, Prescription Drug and Dental Plans) include the following survivor benefits.

If, at the time of your death, you are participating in the *Retiree FlexBenefits* program:

- your surviving spouse/partner, if already covered under the program, will continue to be eligible for coverage; and
- your surviving dependent children, if already covered under the program, will continue to be eligible for coverage, until such time as they no longer qualify as a dependent *(see the Glossary of terms, page 32, for a definition of dependent child)*.

Your surviving spouse/partner/dependents will remain eligible to receive a continuing *flex credit* allotment, currently $25 per year of your service to a maximum of 35 years – but only if your spouse/partner/dependent is covered under the *Retiree FlexBenefits* program at the time of your death. If coverage costs more than the available *flex credits*, your spouse/partner/dependents will be responsible for paying any difference in the cost of coverage. Any remaining *flex credits* will be deposited into an HSA, and can be used to pay for eligible medical and dental expenses that are not covered, or not fully covered under *Retiree FlexBenefits*.

For more information on *Retiree FlexBenefits* coverage for Quebec residents, see page 34.

When coverage ends

Under the *Retiree FlexBenefits* program, your coverage under the healthcare plans will end upon your death. Coverage for your spouse/partner (if covered) will end upon his or her death. Coverage for eligible children will end when they no longer qualify as *dependent children*.

In the case of the Emergency Out-of-Province/Country Medical and Travel Assistance Plan, coverage will also end on the earlier of:

- the end of the 31st day of any out-of-province/country trip,
- your return to your province of residence following a trip,
- you no longer qualifying for benefit coverage, or
- the termination of your coverage under a provincial healthcare plan.

Additional benefits

Retiree Basic Life Insurance

As part of your *Retiree FlexBenefits* coverage, RBC provides you with $10,000 of Retiree Basic Life Insurance payable to your beneficiary upon your death for any cause. You are provided with this coverage even if you have chosen the *Opt-out* option.

No evidence of insurability is required.

Beneficiary

The person or persons you name as your *beneficiary* (using the Beneficiary Designation form) will receive your Retiree Basic Life Insurance benefit.

As part of the *Retiree FlexBenefits* enrollment process, we encourage you to update and submit a **Beneficiary Designation form**. If you have not named a beneficiary using the Beneficiary Designation form, the benefit will be paid to your estate.

Where Quebec law applies, the designation of your spouse/partner as beneficiary is irrevocable unless you check the "Revocable" box provided on the Beneficiary Designation form. If you do not check this box, you may need the consent of your spouse/partner to change your *beneficiary* in future or to name a new beneficiary.

Optional Life Insurance

Life insurance is an important source of financial protection for your family. If your life insurance needs exceed the $10,000 coverage provided under the Retiree Basic Life Insurance Plan, you may continue your *FlexBenefits* optional life coverage for you, your spouse/partner and dependent children. As part of the *Retiree FlexBenefits* program, you may be eligible to continue your coverage at your existing level, or a reduced level, in multiples of your *benefit base*.

Note: because your Optional Retiree Life coverage is based on your **benefit base**, *it will differ from your pre-retirement coverage, which is based on your* benefit earnings.

The Optional Life Insurance coverage is available as follows:

Optional Life Insurance

Offers continued optional life insurance coverage for you and/or your spouse/partner and dependent child(ren).
Optional Retiree Life Insurance • For retiree under age 65: continue coverage at existing or reduced level in multiples of 1 to 7 times your *benefit base* • For retiree age 65 to 70: maximum coverage reduces to 100% of your *benefit base* • For retiree age 70 and up: maximum coverage reduces to 50% of your *benefit base*
Optional Spousal Life Insurance • For spouse/partner under age 65: continue spousal coverage at existing or reduced level to a maximum of $90,000 • For spouse/partner age 65 and up: maximum coverage reduces to 50% of previous spousal coverage to a maximum of $45,000
Optional Dependent Child(ren) Life Insurance • Continue coverage of $10,000 until no longer a dependent

Optional Retiree Life Insurance

If you retire before age 65, you may continue coverage at the same level you had before retirement or a reduced level, in multiples of one to seven times your *benefit base* until you reach age 65.

When you reach age 65, or you retire after age 65, you may continue your coverage to a maximum of 100% of your *benefit base*, until you reach age 70. When you reach age 70, or you retire after age 70, you may continue your coverage to a maximum of 50% of your *benefit base* at retirement.

The above coverage/maximums will change automatically on the day you reach age 65 or age 70, as the case may be.

How much you pay for Optional Retiree Life Insurance coverage for yourself will vary depending on your age and the amount of coverage you select. RBC reserves the right to adjust the premiums at any time.

Optional Spousal Life Insurance

If Spousal Life Insurance was in place before your retirement, you can maintain your spousal coverage up to a maximum of $90,000 until your spouse/partner reaches age 65. Spousal coverage is reduced by 50% when your spouse reaches age 65. This coverage terminates automatically when you die.

How much you pay for Optional Spousal Life Insurance coverage will vary depending on your spouse's or partner's age and the amount of coverage you select. RBC reserves the right to adjust the premiums at any time.

Benefit base

Your benefit base equals either your current salary or, if you were on an average earnings formula, the average of your eligible earnings for the two previous calendar years, including salary/draw and any regular, ongoing variable pay (e.g., commissions, IA bonus) as designated in your compensation structure/plan and approved by Corporate Compensation. Benefit base excludes any annual or year-end incentive(s)/bonus, or other specified incentives.

Optional Dependent Child(ren) Life Insurance

If you retire with an eligible dependent child (or children) you may retain dependent child coverage as long as the child continues to qualify as your eligible dependent. Coverage is a flat amount of $10,000 regardless of the number of eligible dependent children you have.

If your Optional Dependent Child Life coverage before retirement was $5,000, this level of coverage is not available under the *Retiree FlexBenefits* program. Your continued coverage will be increased automatically to $10,000.

Evidence of insurability

You and/or your spouse/partner will not be required to provide evidence of insurability (EOI) for continuing coverage into retirement.

Living death benefit

If you are diagnosed with a terminal illness and have a life expectancy of 12 months or less, you may receive an advance benefit. This benefit – payable while you are still alive – will equal 50% of your Optional Retiree Life Insurance amount to a maximum of $100,000.

Similarly, if you elect Optional Spousal Life coverage and your spouse/partner is diagnosed as terminally ill with a life expectancy of 12 months or less, you may receive an advance benefit. The living benefit will equal 50% of the insured amount, to a maximum of $45,000.

Beneficiary

The person or persons you name as your *beneficiary* (using the Beneficiary Designation form) will receive your Optional Retiree Life Insurance benefit. As part of the *Retiree FlexBenefits* enrollment process, we encourage you to update and submit a **Beneficiary Designation form**. If you have not named a *beneficiary* using the Beneficiary Designation form, the benefit will be paid to your estate.

You are automatically the *beneficiary* for coverage on your spouse/partner and/or dependent children.

You may update your *beneficiary* at any time by completing a new **Beneficiary Designation form**. Where Quebec law applies, the designation of your spouse/partner as *beneficiary* is irrevocable unless you check the "Revocable" box provided on the Beneficiary Designation form. If you do not check this box, you may need the consent of your spouse/partner to name a new *beneficiary*.

What's not covered

If an insured person takes their own life within two years of starting or increasing their coverage, the benefit will be limited to:

- the insurance coverage that has been in place for more than two years, and
- the premiums paid (without interest) for insurance that has been in place for less than two years.

When coverage ends

Your Optional Retiree Life Insurance coverage will end when you die. Coverage for your spouse/partner, and/or dependent children will end when your coverage ends, when your spouse/partner and eligible children no longer qualify as a spouse or dependent, or when your spouse/partner and/or eligible children die, whichever comes first.

Optional Accidental Death & Dismemberment Insurance

The *Retiree FlexBenefits* program offers you retiree-paid Optional Accidental Death & Dismemberment (AD&D) Insurance. AD&D gives you an easy and affordable way to provide your family with additional financial protection. You can purchase coverage for yourself, your spouse/partner, and/or your dependent children. Coverage for your spouse and/or dependent child(ren) cannot exceed the coverage you have elected for yourself.

The AD&D Plan will provide you with a benefit if you suffer an accidental injury, as specified in the table of covered losses that follows. Your loss must:

- be a direct result of an accidental injury,
- occur within 365 days from the date of the accidental injury, and
- be total and irreversible or irrecoverable.

Your options

If you retire before age 65, you may retain the coverage in effect at retirement under the *FlexBenefits* program for active employees until you reach age 65. Coverage may not be increased beyond the amount in force before retirement, but you may reduce your coverage. If you reduce your coverage on or after retirement, this will be your new level of coverage and you may not increase your coverage at a later date.

From your 65th birthday, or if you retire after age 65, the maximum coverage available is $150,000 for you, and $150,000 for your spouse/partner (if coverage has been retained). Coverage may be retained until your 70th birthday, at which time all coverage, including coverage for any spouse/partner and/or dependent child(ren) will end.

The amount of coverage you select is known as the *principal sum*. For example, if you select five units of coverage for yourself, your *principal sum* would be $250,000 (5 x $50,000 = $250,000). Except where an accident results in irrevocable quadriplegia, paraplegia, hemiplegia, or the loss of sight in both eyes (see payment amounts on page 26), the maximum benefit payable is equal to the principal sum.

How much you pay for AD&D coverage for yourself will vary depending on your age and the amount of coverage you select. The premiums for spousal coverage depend on the amount of spousal coverage and the age of your spouse. RBC reserves the right to adjust the premiums at any time.

Optional Accidental Death & Dismemberment (AD&D) Insurance

Offers continued coverage for accidental injury for yourself, your spouse/partner, and/or your dependent children.

Retiree AD&D

- For retiree under age 65: continue coverage at existing or reduced level (in units of $50,000) to a maximum of $500,000
- For retiree age 65 to 69: maximum coverage reduces to $150,000
- Coverage ends when you reach age 70

Spousal AD&D

- For your spouse/partner under age 65: continue spousal coverage at existing or reduced level (in units of $50,000) to a maximum of $500,000 or the amount of your Retiree AD&D coverage, whichever is lower
- For your spouse/partner age 65 to 69: maximum spousal coverage reduces to $150,000 or the amount of your Retiree AD&D coverage, whichever is lower
- Coverage ends when you or your spouse/partner reach age 70, whichever comes first

Dependent Child(ren) AD&D

- For retiree under age 65: continue dependent coverage at existing or reduced level (in units of $25,000) to a maximum of $100,000 or the amount of your Retiree AD&D coverage, whichever is lower
- Coverage ends when you reach age 70 or your covered child(ren) are no longer dependent, whichever comes first

Payment amounts

Amounts payable under the plan will depend on the nature and extent of the injury. The table to the right outlines the percentage of the *principal sum* that will be paid out, depending on the plan and injury.

Only one benefit – the largest amount – will be paid for all losses relating to the same accident. For example, if you permanently lost the use of an arm due to an injury, you would receive 100% of the *principal sum*. However, if in the same accident, you also lost all the toes on one foot, you would not be able to make a second claim for an additional benefit.

Exposure and Disappearance

If you or a covered family member suffers a loss specified in the table of Covered Losses due to unavoidable exposure to the elements of nature after a conveyance in which you or a covered family member was travelling, sinks, makes a forced landing or is lost, wrecked or stranded, such loss will be deemed to have occurred as a result of an accidental injury. You or a covered family member is deemed to have suffered death by accidental injury if his/her body is not found within 365 days after a conveyance in which you or a covered family member was travelling, sinks, makes a forced landing or is lost, wrecked or stranded.

Common Accident

If you and your spouse/partner die as a direct result of a common accident, the amount of benefit payable for loss of your spouse's/partner's life will increase to equal the amount payable for your loss of life provided spousal coverage was in place as of the date of the accident.

Permanent and total disability

If, as a direct result of an accidental injury, you or a covered family member becomes *permanently and totally disabled* while insured for this benefit, the insurer will pay the *permanent and*

Covered loss

	% of principal sum
Life	100%
Both hands or both feet	100%
One hand and one foot	100%
One hand and entire loss of sight in one eye	100%
One foot and entire sight in one eye	100%
One arm or one leg	100%
One hand or one foot	100%
Entire sight in one eye	100%
Use of one hand	100%
Speech	100%
Hearing in both ears	100%
Hearing in one ear	50%
Thumb and finger on same hand	33⅓%
Four fingers of same hand	33⅓%
All toes of the same foot	25%
Permanent and total disability	100%
Speech and hearing in both ears	100%
Entire sight in both eyes	200%
Quadriplegia means paralysis of four limbs	200%
Paraplegia means paralysis of the lower portion of the body (including bowel and bladder) and both lower limbs due to injury of the spinal cord	200%
Hemiplegia means paralysis of one side of the body	200%

Loss means

For hand or foot	Complete severance at or above the wrist or ankle joint, but below the elbow or knee joint.
For arm or leg	Complete severance at or above the elbow or knee.
For thumb and fingers	Complete severance at or above the metacarpophalangeal joint.
For toes	Complete severance at or above the metatarsophalangeal joint.
For speech or hearing	Total and irrecoverable loss.
For loss of use that has been continuous for 12 months from the date of the accident	Permanent, total and irrecoverable loss of use.
For paralysis	Permanent and irrevocable paralysis.

*total disability** benefit shown in the table of Covered Losses provided:

1. the person becomes *permanently and totally* disabled within 365 days after the date of the accidental injury; and
2. the person has been *permanently and totally disabled* for a continuous period of 12 months and remains so disabled at the end of such period.

The benefit is payable to the person in a single payment.

***Permanent and total disability** *is defined as: wholly and continuously disabled due to an accidental injury that is severe enough, in the insurer's opinion, to permanently prevent the person from working for pay or profit.*

Additional coverage

In addition to the coverage outlined previously, the AD&D Plan provides you and your covered family members with a range of additional benefits. These valuable benefits are summarized below:

Rehabilitation

If you are injured in an accident, the plan will cover reasonable and necessary costs associated with retraining you for an occupation that you would otherwise not pursue. Expenses must be incurred within three years of the accident. The maximum benefit payable is $10,000. The plan does not cover room, board, ordinary living, travel or clothing expenses.

Spousal retraining benefit

If you die in an accident, the plan will cover the reasonable and necessary costs associated with your spouse/partner completing a formal occupational training program, provided your spouse/partner is covered under the plan. The training program must be to help your spouse/partner qualify for employment in an occupation for which he or she would otherwise not have sufficient qualifications. Expenses must be incurred within three years of the accident. The maximum benefit payable is $10,000. The plan does not cover room, board, ordinary living, travel or clothing expenses.

Repatriation benefit

If you (or a covered family member) die as the result of an accident that occurs while travelling 150 kilometres or more away from home, the plan will cover the costs related to preparing and shipping the body to your city of residence. The maximum benefit payable is $10,000.

Education benefit

If you die, the plan will provide a special education benefit on behalf of your dependent children. The plan will provide the lesser of $5,000 or 5% of the *principal sum* for the continuing education of any dependent child who, at the date of the accident:

- is enrolled as a full-time student in any institution of higher learning beyond the secondary school level, or
- is attending secondary school and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of the date of the accident.

The special education benefit is paid annually for up to four consecutive years, but only if the *dependent child* continues his or her education as a full-time student in an institution of higher learning.

If you have *dependent children* who at the time of your death are not eligible for the education benefit, a lump sum of $1,500 will be paid to your *beneficiary*.

Beneficiary

The person or persons you name as your *beneficiary* will receive any death benefit payable under your Optional Retiree AD&D coverage. As part of the *Retiree FlexBenefits* enrollment process, we encourage you to update

and submit a **Beneficiary Designation form**. If you have not named a *beneficiary* using the Beneficiary Designation form, the benefit will be paid to your estate.

You are automatically the *beneficiary* for Optional AD&D coverage on your spouse/partner and/or *dependent children*.

You may update your *beneficiary* at any time by completing a new **Beneficiary Designation form**. Where Quebec law applies, the designation of your spouse/partner as *beneficiary* is irrevocable unless you check the "Revocable" box provided on the Beneficiary Designation form. If you do not check this box, you may need the consent of your spouse/partner to name a new *beneficiary*.

What's not covered

No benefit will be paid for any loss that is directly or indirectly related to:

- suicide or self-inflicted injury, whether the person is sane or insane;
- war, insurrection, the hostile actions of any armed forces, or participation in a riot or civil commotion;
- an infection (except pyogenic infections from an accidental cut or wound) illness or disease, or bodily or mental infirmity;
- riding in, boarding or leaving, or descending from, any aircraft as a pilot, operator or member of the crew;
- the committing of, or attempt to commit an assault or criminal offence; or
- injuries sustained while operating a motor vehicle, either while under the influence of any intoxicant, or if the person's blood contained more than 80 milligrams of alcohol per 100 millilitres of blood at the time of injury.

When coverage ends

Your Optional AD&D coverage will end on the earlier of your reaching age 70 or your death. Coverage for your spouse/partner, and/or dependent children will end when your coverage ends, when your spouse/partner and/or *dependent children* no longer qualify as a spouse/partner or dependent as the case may be, or when your spouse/partner and/or *dependent children* die, whichever comes first.

Access To Long Term Care Insurance And Travel Medical Insurance

As an additional source of financial protection for your family, you and your spouse are eligible for discounted rates from **RBC Insurance** for Long Term Care Insurance. In addition, you and your immediate family are eligible for discounted rates from RBC Insurance for Travel Medical Insurance. This coverage is offered outside of the *Retiree FlexBenefits* program.

Long Term Care Insurance

This plan provides you with the financial resources to help take control of future health and personal care services if you lose the ability to care for yourself, and require the services of a long term care facility. Your spouse/partner may also apply for the Long Term Care Plan.

Long Term Care Insurance offered by RBC Insurance pays a daily benefit if you:

- lose the ability to care for yourself, due to cognitive impairment or a condition that results in the inability to perform two or more activities of daily living, and
- require the services of a long term care facility or professional assistance at home.

When selecting your plan, you can choose benefits from $10 to $300 a day. You also decide the maximum period for which benefits may be paid.

Added coverage

The Long Term Care Plan offers choices to enhance your coverage to suit your needs and at an additional charge. These include:

- **Home care benefit** – reimburses your costs for medically necessary services delivered to you in your own home, provided these are recommended by a physician and provided by a licensed nurse, authorized employee of a home care agency, or private caregiver.
- **Return of premium** – returns all premiums paid for the facility care benefit, and your policy fee (less any benefits already paid under the terms of your policy) to your *beneficiary* if you die while your policy is in force, provided your coverage has been in force for at least 10 years and no claims have been made under your facility care benefit.
- **Cost of living adjustment benefit** – ensures that while you are receiving long term care benefits, your daily benefits are adjusted annually in line with the Consumer Price Index, to a maximum of 4%.
- **Future purchase option** – allows you to buy additional long term care coverage on specified dates, up to a maximum amount, without providing medical evidence of good health.

No premium increases for five years

Your premiums for Long Term Care Insurance are guaranteed not to increase for five years after the effective date of your coverage. After five years, premiums can increase, but the accumulated increase over the lifetime of the policy can never be more than 50% of your original premium.

No premiums when you're collecting benefits

The plan includes a Waiver of Premium benefit. That means you pay no premiums while you're collecting benefits under the terms of the policy.

If you are interested in finding out more about Long Term Care Insurance and want to apply for coverage, refer to the website below or call RBC Insurance at 1-866-255-8288.
www.rbcinsurance.com/care/

Note: There are limitations and exclusions to this policy. Please refer to your policy for complete details once you apply.

EmployeeCare

RBC EmployeeCare is a confidential service provided by *Ceridian*. As well as offering free, in-person, confidential counselling services, RBC EmployeeCare also provides access to information and resources that can help you in your everyday life:

The program can assist you on any of the following issues at no cost:

- Emotional well-being – Relationships, stress-management, depression/anxiety;
- Elder care – Support in accessing care, housing, health/financial information;
- Parenting and child care – Communication tips, discipline strategies, single parenting;
- Education – Resources on tutoring, universities and colleges, general education;
- Financial – Coaching on retirement planning, credit and debt management, budgeting;
- Addiction and recovery – Resources/support for alcohol, drugs, gambling;
- Health and wellness – Free nutrition counselling, resources on fitness, diet, exercise;
- Everyday Issues – Time-saving research on any issue including home improvements, community resources and more;
- Legal – Consultation with lawyers on estate planning, civil issues, real estate and more.

To learn more, call 1-800-667-3400 or visit **www.lifeworks.com**.

- User ID: **rbc**
- Password: **rbccanada**

Submitting a claim

You and your beneficiaries should follow the procedures outlined below when making claims.

Prescription Drugs

A pay-direct drug (PDD) code is provided for coverage under the *Basic*, *Enhanced* and *Catastrophic* benefit options. A PDD code enables your pharmacist to verify your coverage and process drug claims at the pharmacy. The pharmacist will bill the plan directly for all eligible expenses reimbursed. You pay only the portion of the drug expense that is not covered or not fully covered.

Keep in mind that not all drug expenses can be processed with your PDD code. If you need to submit a paper-based claim, you will need to include the policy number (14178).

To be eligible for reimbursement, expenses must be claimed within one year from the date incurred.

Sun Life will email or mail you an Explanation of Benefits (EOB) that you can use for co-ordination of benefits (see page 11).

If you require additional PDD codes for eligible dependents (i.e., a spouse/partner or a child who is studying outside your province of residence), you can either:

- call Sun Life at 1-800-305-5905 to request an additional PDD code, or
- print a copy from the Sun Life website at www.mysunlife.ca.

Dental

Claims can be submitted either electronically or using paper-based forms.

Electronic claims:

- If your dentist has electronic access to the Sun Life claims system, he or she can submit a claim on your behalf. You will need to tell your dentist the plan policy number (14178) and your eight-digit retiree number.
- If your dentist submits the claim electronically, your reimbursement should be deposited in your bank account within a few days. You'll need to pay your dentist. Be sure to ask your dentist for a receipt for your records.

Paper-based claims:

If you wish to submit a paper-based form, you can print a personalized claim form available from Sun Life Member Services at: www.mysunlife.ca using your access ID and password.

- If your dentist prefers, a Standard Dental Claim Form can be used, but you must be sure to write the plan policy number (14178) and your retiree number on the form.
- Paper-based claim forms should be mailed directly to the Sun Life office as indicated on the claim form.
- Sun Life will not send the reimbursement to your dentist. You'll need to pay your dentist, and then file a claim for reimbursement. Your claim payment will be deposited in the bank account where your pension payments are deposited, or from where your benefit premiums are paid.

A PDD code enables your pharmacist to verify your coverage and process drug claims on the spot.

Sun Life will email or mail you an Explanation of Benefits (EOB) that you can use for *co-ordination of benefits* (see page 11).

Claims must be submitted within one year of the date the expense is incurred. Claims submitted beyond this one-year window are ineligible for reimbursement.

Supplementary Medical

Claims can be submitted electronically for prescription drug expenses using a pay direct drug code, if available, or by using paper-based forms.

You can print out a personalized claim form from Sun Life Member Services, at **www.mysunlife.ca.**

Your form should be mailed directly to Sun Life's office as indicated on the claim form. Be sure to include your policy number (14178), and to save a copy for your own files.

Claim payments will be deposited in your bank account. Sun Life will also send you an Explanation of Benefits (EOB) that you can use for *co-ordination of benefits* (see page 11).

Claims must be submitted within one year of the date the expense is incurred. Claims submitted beyond this one-year window will be considered ineligible for payment.

Health Spending Account

Claims can be submitted using a paper claim form. You can print out a personalized claim form from Sun Life Member Services, at **www.mysunlife.ca.**

Alternatively, you can submit your Health Spending Account claim directly to Sun Life using the Sun Life Eclaim option. Simply go to the Sun Life website mentioned above and follow the instructions for Eclaims under "My Claims." Remember to keep your receipts. You may be asked by Sun Life to provide receipts up to six months from the date of claim.

If you have access to coverage under other benefit plans, you must submit claims to those plans first. The remaining portion can be claimed under the Health Spending Account, subject to your account balance. If you don't have coverage under any other plans, simply tick the appropriate box on the claim form and the unpaid portion will be withdrawn from your HSA account and deposited in your bank account.

HSA claims must be submitted before the end of the plan year following the year the expense is incurred. Claims submitted beyond this date will be considered ineligible for payment.

Your form should be mailed directly to the Sun Life office as indicated on the claim form. Be sure to save a copy for your own files.

Claim payments will be deposited in the bank account where your pension payments are deposited or from where your benefit premiums are paid.

Sun Life will email or mail you an Explanation of Benefits (EOB) that reports the balance remaining in your HSA. You can elect a "paperless" EOB, which will be e-mailed to you once your claim has been processed. To request a paperless EOB, go to Sun Life Member Services, Paperless Payments at: **www.mysunlife.ca**.

Retiree Basic Life

Optional Life And Optional AD&D

For claims under the Retiree Basic Life, Optional Life or Optional AD&D Insurance Plans please call the HR Service Centre at 1-800-545-2555.

Claims should be initiated as soon as possible, but no later than **60 days** after the illness, injury or death for which a claim is being made.

For follow-up contact regarding claims, you may also write or send a fax to:

RBC
Human Resources Service Centre
Attention: Benefits Administration
Transit 6315, 6880 Financial Drive
Tower 1, 2nd Floor
Mississauga, Ontario L5N 7Y5

The fax number is 1-888-309-4999.

Glossary of terms

Beneficiary: The individual(s) you name to receive the death benefit from your Retiree Basic Life Insurance, your Optional Life Insurance or Optional AD&D Plans. If you do not have a beneficiary, benefits will be paid to your estate.

Benefit base: Your benefit base equals either your current salary or, if you were on an average earnings formula, the average of your eligible earnings for the two previous calendar years, including salary/draw and any regular, ongoing variable pay (e.g., commissions, IA bonus) as designated in your compensation structure/plan and approved by Corporate Compensation. Benefit base excludes any annual or year-end incentive(s)/bonus, or other specified incentives.

Benefit period: The *Retiree FlexBenefits* benefit period runs from January 1 to December 31.

Benefits eligibility date: The start of your most recent period of continuous service in which you qualified for employee benefits. If you were an intermittent employee, this is the date you first meet the minimum earnings requirement for eligibility.

Company: Refers to any Canadian member company of RBC.

Co-ordination of benefits (COB): If you are covered under *Retiree FlexBenefits* and another group plan, the payment of eligible expenses can be shared by both plans. There are, however, standard industry procedures for submitting claims under more than one plan. For details, refer to page 11.

Dependent child: A natural or adopted child of you and/or your spouse/partner who is:

- unmarried and dependent on you for support, and
- residing in Canada;

and is:

- under age 21; or
- under age 25, if attending school full-time at a post-secondary institution, such as a college or university (under 26 for prescription drug coverage in Quebec); or
- any age, with pre-approval of the plan administrator, if the child:
  - is unmarried, unemployed, and financially dependent on you due to a mental or physical disability; and
  - was disabled before age 21; and
  - was covered under an RBC benefits plan prior to turning age 21.

If a child becomes disabled while a dependent, the age limit specified above does not apply, provided an extension of coverage beyond the limiting age has been applied for within 31 days and approved by the plan administrator.

Eligible dependent: Your spouse/partner and/or dependent child(ren).

Flex credits: A dollar amount credited to eligible retirees by RBC at the start of each benefit period to help you purchase healthcare plan coverage under the *Retiree FlexBenefits* program.

Generic drugs: The lowest priced interchangeable product for a drug that has been prescribed.

Health Spending Account (HSA): An account containing credits that can be used on a tax-preferred basis to pay for eligible medical, prescription drug and dental expenses. Eligible expenses are defined by the Canada Revenue Agency. Credits in an HSA can be carried forward for one benefit period. Credits not used by December 31 of the second benefit period are forfeited.

Note: Quebec residents, see page 34 for tax treatment of HSA.

Pensionable service: Your total years of membership in the RBC Retirement Program, pro-rated if you work part-time, up to a maximum of 35 years in the defined benefit (DB) and defined contribution (DC) options combined.

Qualified physician: A medical doctor who is licensed to practice medicine in the place services are provided.

Retiree: You are considered an eligible retiree and eligible for coverage under the retiree benefits program if you meet all of the following criteria:

- formally retire from RBC,
- are at least 55 years of age,
- are residing in Canada,
- have 10 years of continuous service from your *benefits eligibility date*,*
- have completed at least 10 years of pensionable service immediately prior to your retirement date, and
- are accruing pensionable service in one of RBC's Canadian Pension Plans immediately prior to retirement.

* **Important note:** Employees retiring on or after July 1, 2011 must have **five years** of *benefits eligibility* in the last 10 years.

Spouse/partner: The person of the same or opposite sex who, at the date of your retirement:

a) is legally married to you; or

b) has been living with you in a common-law relationship for at least one year and whom you publicly represent as your spouse/partner.; and

c) has coverage under a provincial healthcare plan; and

d) is residing in Canada.

A divorced spouse is not eligible for coverage. You can qualify only one person as your spouse/partner.

A spouse/partner acquired after retirement is not eligible for the *Retiree FlexBenefits* program. Quebec residents, see page 34 for more details.

Years of service: Since January 1, 1998, employees earn service on an "elapsed" basis. For example, March 1, 2001, to March 1, 2002, is one year of service, regardless of the hours worked during this period.

For service before 1998, refer to the service history definitions in Folio HRC4.

From January 1, 2010, service is measured on an "equivalent time" basis. That means actual hours worked are accumulated and expressed in equivalent months. To earn one year of service, an employee needs to work 1950 hours in a year, or 162.5 hours in one month (only complete months are counted). If you work less than 37.5 hours per week, your years of service are adjusted to reflect your reduced work arrangement.

Your years of service may not exceed the maximum of 35 years.

Information for Quebec residents

Tax treatment of benefits

Quebec residents are subject to a provincial tax on company-paid medical, drug, and dental benefits. If you live in Quebec you will incur a taxable benefit, for provincial income tax purposes, for any benefits you buy using *Retiree FlexBenefit* credits, augmented by the insurance company administration fees plus the 9% Quebec Sales Tax including:

- Supplementary Medical, Prescription Drug and Dental, and
- Expenses paid out of your Health Spending Account.

Under current tax legislation, you will not pay federal tax, but Quebec provincial tax will apply.

RAMQ rules on basic prescription drug coverage

Retirement before age 65

Under Régie de l'assurance maladie du Québec (RAMQ) regulations, employees and retirees below age 65 who have access to RAMQ-compliant coverage under a private prescription drug plan are required to participate in that plan. Therefore, if you retire before age 65, you must choose either *Basic* or *Enhanced* coverage under the *Retiree FlexBenefits* program. This is a **one-time** choice made at the time of your retirement; your choice will remain in effect for the duration of your retirement.

If you have existing RAMQ-compliant coverage under another group plan – for example, through a spouse's plan or another employer – you may choose to opt out of *Retiree FlexBenefits or elect the Catastrophic option*. If you lose access to this alternative coverage at a later date but before age 65, you will be permitted to enroll in the *Basic* option of the Prescription Drug Plan, including coverage for your spouse/partner and/or eligible dependent child(ren).

If you enroll in the *Basic* or *Enhanced* option and gain access to alternative RAMQ-compliant coverage at a later date, you will not be permitted to change your *Retiree FlexBenefits* coverage.

Retirement at or after age 65 and when you reach age 65

From age 65, you are automatically enrolled in RAMQ's prescription drug program. If you retire at age 65 or later, you may choose to supplement your RAMQ coverage with *Retiree FlexBenefits*s coverage.

Alternatively, you can choose *Retiree FlexBenefits* coverage and withdraw from the RAMQ coverage provided from age 65. If you withdraw from RAMQ coverage you will be charged an additional premium for your *Retiree FlexBenefits* coverage. You may also choose to opt out of *Retiree FlexBenefits* prescription drug coverage, and opt for RAMQ prescription drug coverage only. If you opt out of *Retiree FlexBenefits* coverage, your spouse will not be eligible for *Retiree FlexBenefits* coverage, irrespective of his or her age.

If you have both RAMQ and *Retiree FlexBenefits* coverage, payment of your prescription drug claims can be coordinated under both plans. Your eligible prescription drug claims would be reimbursed by RAMQ as first payer. Any part of the claim that is not covered could be submitted to *Retiree FlexBenefits* plan for consideration and potential payment.

Marriage after retirement

If you retire before age 65 with coverage under the *Basic*, or *Enhanced* options, and you marry or acquire a spouse/partner after retirement but before attaining age 65, your acquired spouse/partner and/or eligible dependent child(ren) must be added to your Prescription Drug coverage unless he or she is covered under another Group Plan as required under Quebec law. Your monthly premiums will be adjusted to the higher level of *Retiree plus one* or *Retiree plus two or more*.

Survivor benefits

If you die, your surviving spouse's *Retiree FlexBenefits* coverage will continue; however, if your spouse does not have RAMQ coverage, he or she must immediately apply for this coverage and the RBC Prescription Drug Plan will become second payer.

Spousal coverage ends on marriage breakdown

Your spouse's coverage under the *Retiree FlexBenefits* program – including coverage under the Optional Spousal Life and Optional Spousal AD&D insurance plans – will end following a marriage breakdown. That is, as soon as the spouse no longer qualifies as a spouse under tax legislation.

For more information

Link to RAMQ at www.ramq.gouv.qc.ca/index_en.shtml. Alternatively, you can access RAMQ's Health Insurance Infoline, 24 hours a day, 7 days a week by calling:

- Quebec City: 418-646-4636
- Montreal: 514-864-3411, or
- Elsewhere in Quebec, toll-free: 1-800-561-9749.

Resources – Information

For more information about your *Retiree FlexBenefits* program, you can:

- Go to the website for retirees at: **www.rbc.com/pensioners**. The website includes a wide range of information and resources specifically for RBC retirees.
- Go to the Sun Life website at: **www.mysunlife.ca**. The website includes a wide range of information and resources about your healthcare plans. Alternatively, you can call Sun Life at **1-800-305-5905** for any specific questions about your coverage or a claim.
- Call the **Human Resources Service Centre** (HRSC) at **1-800-545-2555**. The HRSC has representatives available to answer questions on a wide range of issues.
  - Hearing impaired employees may contact the HRSC via e-mail, or TTY users may utilize a Message Relay Service, provided by your local telecom by dialing 711.
  - Service in English and French is available 8 a.m. to 8 p.m. (ET).

The following table outlines the various carriers and the benefits they cover. Be sure to provide the applicable policy number, as well as your retiree (employee) number.

Benefit plan	Carriers	Policy number	Contact
Supplementary Medical	Sun Life Financial	14178	1-800-305-5905 www.mysunlife.ca
Prescription Drug	Sun Life Financial	14178	
Dental	Sun Life Financial	14178	
Emergency Out-of-Province/ Country Medical	RBC Insurance Co. / Assured Assistance Inc.		See wallet card next page
Retiree Basic Life	RBC Insurance Co.	606107	HRSC 1-800-545-2555
Optional Life Insurance	Sun Life Financial	14000	
Optional AD&D	Manulife Financial	39150	
Long Term Care	RBC Insurance Co.	N/A	1-866-262-7920
Travel Medical (beyond first 31 days)	RBC Insurance Co.	N/A	1-800-565-3129

Additional Links

RBC quarterly pensioner publication – *Keeping in Touch*	**www.rbc.com/pensioners**
EmployeeCare Program	**www.lifeworks.com** • User ID: **rbc** • Password: **rbccanada**
Canada Revenue Agency (CRA)	**www.cra-arc.gc.ca**
RBC Insurance	**www.rbcinsurance.com**

Travel Assistance wallet card

It is recommended that you keep the information card below with you at all times while traveling. You should write your member number on the card.

Retiree FlexBenefits
Emergency Out-of-Province/Country Medical and Travel Assistance
Assured Assistance Inc.:

Canada & U.S.: **1-866-496-5254** (toll-free in North America)
Worldwide: **1-905-816-1202** (collect)
Fax: **1-888-298-6340** (toll-free in North America)
Fax: **1-905-813-4719** (outside North America)
Member No.:

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