Life & Medical Insurance Program Updated Rules. Effective January 1, 2015.

Main body of updated Staff Rules PE-375 and PN-8.03, regulate participation of active staff in the Medical Insurance Program, as well as eligibility for participation of eligible dependents.

Annex 1 deals with vesting criteria of active staff for retiree medical insurance, introducing new regulations for staff hired on or after January 1, 2015.

Annex 2 presents general terms and conditions applicable to retirees and their dependents participating in the Medical Insurance Program -- highlights include:

1. **Clarification of regulations for enrollment and ending enrollment of eligible dependents.**

2. **Conditions for participation of a dependent parent under retiree medical:**
   - The retiree must be receiving an immediate pension, and
   - The parent must have been recognized as a dependent at the time of the staff member's termination of service with the Bank, and
   - The dependent parent must have been enrolled in the medical program while the staff member was in active service, for at least five (5) years immediately prior to termination of service.

3. **Introduction of special provisions:**

5. **SPECIAL PROVISIONS (*excerpt from PE-375 and PN-8.03, Annex 2*)**

5.1. The provisions stated in paragraph 5.2 apply to events that happen on or after January 1, 2015.

5.2. In such cases when the retiree passes away, the retiree's dependents will be eligible for continued participation based on the following criteria:

5.2.1. If the retiree passes away and the surviving spouse was the spouse of the retired participant on the last day of the retiree's active service, and the surviving spouse continues receiving a pension from the Bank's Retirement Plans, continued participation in the Medical Insurance Program requires payment of the Basic Premium for Vested National Retirees, or the Basic Premium for National Retirees under a Progressive Schedule (at the same progressive vesting factor level as the deceased retiree), whichever is applicable, without having to comply with the ten (10) year criteria stated in paragraph 5.2.2.

5.2.2 If the retiree passes away and the surviving spouse became the spouse of the retired participant after the last day of active service and he/she continues receiving a pension from the Bank's Retirement Plans and, if at the time of death, the surviving spouse was married, or maintained a domestic partnership declared/registered with the Bank, with the deceased retiree for ten (10) years or more, continued participation in the Medical

Insurance Program requires payment of the Basic Premium for Vested National Retirees, or the Basic Premium for National Retirees under a Progressive Schedule (at the same progressive vesting factor level as the deceased retiree) whichever is applicable. However, if the surviving spouse was not married, or did not maintain a domestic partnership, to the deceased retiree for ten (10) years or more, and the surviving spouse continues receiving a pension from the Bank's Retirement Plans, continued participation in the Medical Insurance Program is possible by paying the Basic Premium for Non-Vested National Retirees.

5.2.3 If the surviving spouse, receiving a pension from the Bank's Retirement Plans, keeps participating in the Medical Insurance Program (along with his/her corresponding eligible dependents) and remarries or establishes a domestic partnership, the new spouse, and the children of the new spouse including newborns, will not be eligible to participate in the Medical Insurance Program.

5.3. In cases when the retiree passes away, and the dependent children become orphans, and are receiving a Children's Benefit from the Bank's Retirement Plans, the dependent children will be able to continue participating in the Medical Insurance Program paying the Basic Premium for Vested National Retirees or the Basic Premium for National Retirees under a Progressive Schedule (at the same progressive vesting factor level as the deceased retiree) or the Basic Premium for Non-Vested National Retirees as applicable, until they cease to receive the Children's Benefit.

5.4. For instances where the retirees' corresponding Premium cannot be deducted in part or in its entirety from the Retiree's pension, the retiree will be required to cover the Premium difference in advance. Whenever the retiree is not able to cover the monthly Premium (in part or in its entirety), the retiree and his/her dependents will cease to participate in the Medical Insurance Program.