

Federal Budget 2010

On March 4, 2010, Finance Minister Jim Flaherty delivered the Federal Budget. While many changes are planned in the budget, we do not anticipate any direct impact to our Group Benefits plans. We reviewed the budget and have highlighted a couple of changes that may be of interest.

Work-Sharing arrangements

In 2009, the federal government, through Service Canada, introduced a Work-Sharing program to help eligible employers avoid temporary layoffs and/or terminations. At that time, Sun Life communicated through [Focus Update #178](#) how we will support plan sponsors with Work-Sharing programs.

The 2010 Federal Budget announced plans to extend the duration of Work-Sharing arrangements from 52 weeks to 78 weeks. Sun Life will continue to review requests from plan sponsors wishing to extend their programs beyond 52 weeks.

Changes to the Medical Expense Tax Credit (METC)

The Federal Budget also announced changes to the METC to ensure that its intended purpose is maintained. Expenses incurred as a result of purely cosmetic procedures will no longer be considered eligible expenses. Examples include liposuction, hair replacement, botulinum toxin ("botox") injections and teeth whitening. Cosmetic procedures required for medical or reconstructive purposes will continue to qualify for the METC.

While Sun Life uses the METC as a guideline, we rely on our contract provisions for adjudicating claims, so our current payment practice under Health, Dental and HSA benefits will not change as a result of the Federal Budget.

Questions?

Please contact your Sun Life Financial group representative.