

January 15, 2007

**NOTICE TO ALL EMPLOYERS! DO YOU PROVIDE PRESCRIPTION DRUG INSURANCE?  
IMPORTANT CHANGES COME INTO EFFECT ON JANUARY 1, 2007.**

By: *Mtre. Catherine Maheu*

*As of January 1, 2007, all employers offering group insurance that includes prescription drug insurance are required to deduct the amount of the premium pertaining to that aspect of the coverage from the remuneration paid to all eligible employees.*

Effective January 1, 2007, the *Act respecting Prescription Drug Insurance*, R.S.Q., c. A-29.01, was amended to require that from then on, any employer providing prescription drug insurance must deduct the amount of the premiums pertaining thereto from the remuneration paid to all eligible employees and remit the deducted sums directly to the insurer. Only employees covered by another private prescription drug insurance plan may be exempt from this deduction.

Such employees must give their employer a document proving that they are already covered by another plan, such as a copy of a group insurance card, an official letter or form filled out by their spouse's employer or a letter or certificate from another employer or the professional association or order to which they belong. All proof must be kept in the employee's file so the employer can show that it has complied with the new requirements.

Also, an eligible employee must ensure that the coverage offered is provided to his or her children and spouse, unless they are covered by another private prescription drug insurance plan or are not eligible for the plan. The premium the employer is required to deduct must therefore be based on either individual coverage or coverage for dependents as well.

When a person becomes eligible for a private plan, he or she ceases to be entitled to the public prescription drug insurance plan, and a letter confirming registration under the public plan will not allow such a person to be exempt from the deduction of the premium from his or her remuneration, whether it is for him or her, or his or her children and spouse.

As an employee's personal situation can change over time, we recommend periodic verifications to ensure that the proper amounts of premiums are deducted and that all eligible persons are provided with coverage.

The amendments to the *Act respecting Prescription Drug Insurance* provide that any employer who fails to deduct the necessary amounts is liable to a fine of not less than \$1,000 and not more than \$10,000. However, the date on which this penal provision will come into force has not yet been determined.

**Do not hesitate to contact us for further information!**

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