

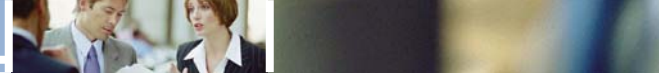
I N F O Bulletin

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Information Bulletin for Group Insurance Plan Administrators and Benefit Advisors


INDUSTRIAL ALLIANCE
INSURANCE AND FINANCIAL SERVICES INC.

The Administrator's Corner



Mental Health in the Workplace

Every year in Canada, 35 million workdays are lost due to mental health problems¹. Elsewhere, The American Institute of Stress estimated in its 2004 report that approximately 40% of a company's staff turnover is directly related to stress. These numbers are increasingly worrisome for employers and they illustrate the importance of investing in mental health in the workplace. Nevertheless, there are still several taboos surrounding mental health and many, employers and employees alike, are still hesitant to talk about it.

A Few Facts

Last year, there were 47,000 visits and 700 external links to the www.healthyworkplacemonth.ca² website. This web traffic is a reflection of the increasing interest in the subject. Despite this improved awareness, mental health in the workplace is still a delicate concept, which is often explored privately. Unlike an arm in a cast, psychological disorders go unnoticed. It's a silent disease that may incapacitate an individual, and may not be apparent to the individual or those around him.

Today's employees are expected to function at a frantic pace, in an environment where pressure and expectations come from all directions. In many cases, they are expected to tend to the needs of their children, care for their elderly parents, and have a social life, while maintaining high work performance. Juggling all of these responsibilities makes the employee more vulnerable than ever to the effects of mental illness. Without the appropriate help, stress can become

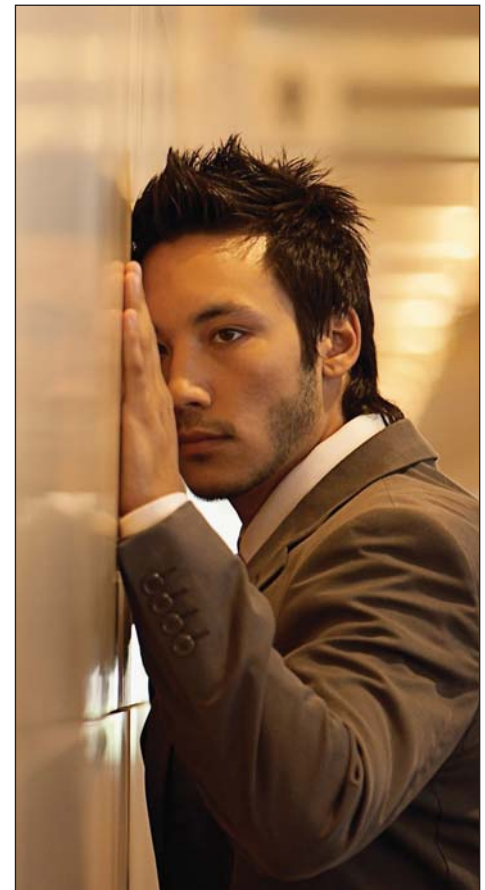
unmanageable. In a world where productivity rules, the fear of being seen as someone who is incapable of managing priorities (or even incompetent) exceeds the desire to bring a mental illness out into the open. From this perspective, admitting to a period of psychological difficulty may be seen as a weakness. In fact, only 3% of workers in Quebec are absent each year from their jobs due to psychological disorders, while nearly half of those who remain at work exhibit significant signs of psychological distress³.

The Costs

Not only must employers cover the costs and repercussions of absenteeism, but also those of presenteeism (a notion that can be defined as an employee's physical presence at the workplace while his or her productivity is reduced due to a physical or mental health problem). In Canada, it is estimated that the rate of presenteeism is up to three times higher than the rate of absenteeism and the *total* value of the work time lost due to stress is estimated at approximately \$1.7 billion annually⁴. The health of workers is essential to the future of organizations. Therefore, we must correct the situation before it gets worse, or better yet, before it begins.

Prevention

Educating and raising awareness about mental health problems among managers and employees is a solid foundation for a healthy work environment. These two strategies help people recognize the early signs and break the



1. 2008 Survey on mental health in the workplace conducted by Mercer in collaboration with the Canadian Alliance on Mental Illness and Mental Health (CAMIMH).
2. From September 29 to October 26, 2008, Canada's Healthy Workplace Month (CHWM) is designed to introduce workplace health to Canadian organizations and to support those who are already on the journey. CHWM is managed by the National Quality Institute (NQI) in collaboration with the Canadian Centre for Occupational Health and Safety (CCOHS).
3. Brun, Biron, Martel & Ivers, "Evaluation of Workplace Mental Health: An Analysis of Human Resources Management Practices", Studies and Research Projects / Report R-342, Montréal, IRSST, 2003, 100 pages.
4. Warren Shepell [online], "Health & Wellness Research Database," 2005.

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taboos surrounding mental health. Industrial Alliance offers four services to companies that are committed to promoting mental health in their workplace.

Webhe@lth

Webhe@lth is a health and wellness online resource. Accessible through Web@lth, it offers information on a variety of work/life related topics, such as:

- Emotional and physical health
- Workplace stress
- Family and personal relationships
- Life events
- Financial and legal tips.

A comprehensive range of health screening tools is also available to help employees identify health risks factors.

Health Risk Appraisal

The Health Risk Appraisal (HRA) is a service that gives employers a clear picture of the situation within the company, such as the stress level and its contributing factors. The information provided by the HRA is a good starting point for developing an effective prevention plan. Individual employees receive an evaluation of their health and lifestyle, which will allow them to set goals for their health and well-being.

Posaction® Plus

Posaction® Plus provides managers with information, training and reference tools to help them deal with various human resources management situations and issues. A professional and confidential telephone coaching service helps managers who are having difficulties dealing with a specific employee situation or behaviour. A professional referral service supports managers as they deal with employees who are experiencing problems at work before the situation results in absenteeism. A post-traumatic counselling service can also be offered,

which will help manage employee reactions following traumatic events such as a colleague's cancer diagnosis, a serious work accident, etc.

Employee Assistance Program

The Employee Assistance Program (EAP) guarantees employees and their immediate family members a confidential referral to professional assistance resources when needed. Below are some of the issues handled by the EAP:

- Personal or work-related problems
- Marital or family problems
- Childcare and parenting issues
- Caring for elderly or handicapped family members
- Depression, anxiety and stress
- Alcohol or drug abuse
- Grief
- Retirement
- Legal issues
- Financial concerns

Education on the causes and consequences of mental health problems is essential. Recognizing the risk factors will avoid an escalation of the symptoms that could lead to a performance problem and an eventual absence from work. Early identification and quick response is the key to effective problem resolution. In most cases, by the time an employee speaks out, he is already at high risk. Although several preventive tools are offered, "additional efforts must, however, be taken to ensure that managers and employees are in fact using the recommendations and tools available," recommends Jacques Parent, Senior Vice President, Group Insurance, at Industrial Alliance.

To learn more about Industrial Alliance's Group Insurance services please contact your benefits advisor or your account executive.





Setting up a Health Spending Account for non-employees or controlling-shareholder employees

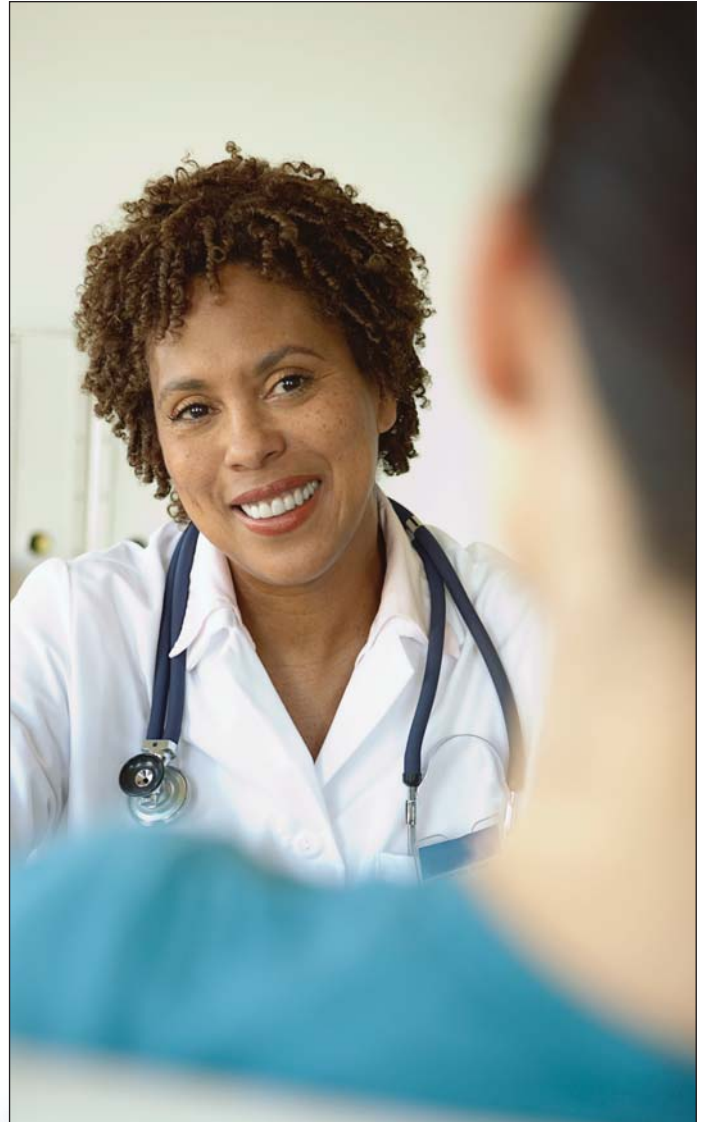
Plan sponsors must be cautious when arranging a Health Spending Account (HSA) for non-employees or controlling-shareholder employees. Careful planning is required to ensure that such arrangements satisfy existing income tax regulations.

Non-employees include anyone who does not qualify as an employee for federal tax purposes (those to whom an employer does not issue a T4 slip). This can include self-employed contractors, consultants, commissioned salespeople and brokers. Controlling-shareholder employees are individuals who are both employees and shareholders of an organization who, because of their shareholdings, exert influence over the organization. They often include owners and managers of corporate businesses, dealerships and franchises.

Individuals who are not considered to be employees for tax purposes cannot take advantage of the general tax exemption for employer-paid medical/dental coverage. For example, if a self-employed person is provided with medical/dental coverage as part of the compensation for providing services, the cost of this coverage is generally part of their business income. There is a complex series of tax rules that provide a limited tax deduction for some self-employed individuals who participate in qualified arrangements.

The situation for controlling-shareholder employees is similarly complex. These individuals are subject to special shareholder benefit rules that can make an HSA plan tax-inefficient or even trigger tax penalties. The tax effectiveness of HSA benefits provided by a corporation to its owner or manager generally depends on such factors as whether the corporation operates an active business, and whether it has regular employees (i.e., non-controlling employees) who enjoy HSA benefits similar to the owner's or manager's benefits.

Industrial Alliance strongly urges anyone setting up an HSA for non-employees or controlling-shareholders employees to consult a tax expert and obtain proper documentation.



Source: Marg French and Karen Millard, "A taxing affair," BENEFITS CANADA magazine, June 2001 edition. <http://www.benefitscanada.com/content/legacy/Content/2001/06-01/a117.html>





GO GREEN Contest

Be part of the green movement and encourage your group insurance plan members to sign up for *direct deposit* and *e-notification*!

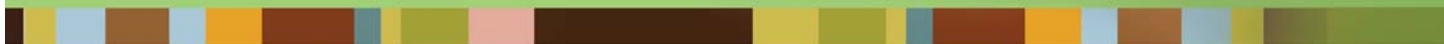
Direct deposit and *e-notification* are a great way to protect the environment. Thanks to the combination of these services, accessible on Web@dmin, our secure website, your plan members will be informed by email of the processing of their health and dental claims*, and reimbursements will be made directly into their bank accounts. No paper necessary!

Plan members who enrol for *direct deposit* and *e-notification* are automatically eligible to win one of four green DELL Inspiron™ 15 laptop computers, with an Intel® Pentium® Dual Core T3200 processor. They must act fast, because by enrolling now, they'll be qualified for the first draw on January 30, as well as the three others, on April 30, August 31 and November 30, 2009. Those who previously registered for *direct deposit* and *e-notification* are already entered in the contest!

To help you promote this initiative, please contact our Client Service Department at 1 877 422-6487 to receive a poster to hang in places where your plan members will be sure to notice it, as well as a promotional email that you can send to your members. But most of all, don't forget to talk about it!

To find out more about the contest, go to www.inalco.com/gogreencontest.

* Services offered to participants with health and dental coverage.



During this Holiday Season, we would like to thank you for placing your trust in us. On behalf of the entire Industrial Alliance team, Happy Holidays and may the new year bring you success and prosperity!

Your Group Insurance team

About Industrial Alliance

Industrial Alliance is a life and health insurance company that offers a wide range of insurance and financial products. The fourth largest life and health insurance company in Canada, Industrial Alliance is at the head of a large financial group with operations across the country, as well as in the Western United States. Industrial Alliance contributes to the financial wellbeing of over three million Canadians and manages and administers over \$50 billion in assets.