



## TRADITIONAL BENEFITS VS FLEX BENEFITS

At the bargaining table, Canada Post has proposed major changes to our benefits package. The Corporation wants to convert our traditional group benefits plan into a “flexible benefits plan” with a Health Spending Account (HSA).

Like other big employers, the Corporation has crafted a slick sales pitch for its plan. But members should know that flex benefits aren’t what they’re cut out to be. Far from empowering members’ freedom to choose, flex plans are more likely to lower coverage, shift risks from the Employer to the employee, and raise benefits costs.

### The Case Against Flexible Benefits

Under a traditional group benefits plan, all group members share the costs and contribute to the plan. Spreading costs over large numbers of members helps to make benefits cheaper for everyone.

With flex plans, on the other hand, costs are shared among fewer people. This means costs for them can go up. It is even possible that insurance providers could stop offering services when not enough people sign up, leaving some without the coverage they need.

Young employees and those not suffering from an illness may feel it’s safe to get minimal coverage or opt-out entirely. But this carries a big risk. Flex plans are “locked in” for a given period of time, so employees could find themselves without adequate coverage in case of accident or illness.

Considering the heavy toll postal work takes on all our health – whether young or older – this is hardly a good option.

### Health Spending Accounts

HSAs come with their own set of problems. With HSAs, employees receive a dollar credit each year that can be spent on eligible medical expenses (as defined by the Income Tax Act).

But these credits are not like wages: Employees must “use them or lose them.” If at the end of a given year, an employee has not spent the credits in his or her HSA, the credits revert to the Employer. In other words, employees cannot prudently save their credits for an unexpected event.

When the time comes, we must not be misled by the Employer’s sales pitch. A traditional, comprehensive group benefits plan is a far better option than any flex plan. We have made this clear to the Employer in our own presentation on benefits.

Remember: Canada Post’s priority is to cut “labour costs,” not promote our health and wellbeing.

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In Solidarity,

Jan Simpson  
National President

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