

Benefits Funding

Definition of Benefits Funding: Funding that all midwives in the AOM Benefits Trust receive, as 20% of their billable courses of care income from the Ministry of Health & Long-term Care earmarked specifically for benefits (including extended health, dental, life and disability insurance, self-funded leaves and retirement funds).

Every midwifery practice is required to submit their monthly invoice by the 5th calendar day of each month so that the Benefits Trust can collect benefits funding to pay premiums and appropriately distribute each member's funds within their plan. Benefits funding is first allocated to cover the service fee, then the fixed costs (premiums) of health, life and disability insurance. Next, benefits funding is used to pay into the optional leave savings program, if applicable. Any remaining funds are then contributed to the midwife's RRSP account. The diagram on the right illustrates the flow of benefits funding.

Just like your billable course of care income, your benefits funding amount will vary from month to month. The Health and Group benefits premiums, however, are a fixed monthly expense. The monthly cost of your benefits premiums depends on your selected family status (i.e. single, couple/two-party or family) and the insurance coverage you selected. You can find out your monthly fixed benefits premiums by contacting the AOM Benefits Trust at 1.866.418.3773. Because the choices you make about your benefits coverage and optional self-funded leaves directly affect how much of your benefits funding is available to contribute to your RRSP, members are encouraged to consider carefully how your 20% benefits funding can best fulfill your needs, both now and in the future.

Benefits funding contributes to a midwife's compensation and, therefore, is considered by the Canada Revenue Agency as taxable income, even though you do not receive it in your bank account. You may be able to claim your benefits premiums and a portion of your administrative fees (supplementary fees) as tax deductions. Your accountant can work with you to determine your eligibility for any tax deductions. Midwives receive an annual Member Information Report, which shows how your funds are allocated and provides any applicable tax receipts. Plan members are granted access to the Trust's annual audited financial statements.

It is the responsibility of both you and the practice to ensure that the invoices and benefits funding is forwarded to the Benefits Trust in a timely manner to protect your status as a member in good standing, as is required for registered midwives in Ontario.

The flow of benefits funding

