

# Benefits Arrears

**Definition of Arrears:** Debt that is unpaid or overdue.

**Definition of Benefits Arrears:** Benefit premiums that have accumulated and remain unpaid or overdue.

On average, approximately 25% of all midwives in the AOM Benefits Trust are in benefits arrears (monies owing) at any given time. This means that either the Benefits Trust received no funding at all for these midwives, or that the funds received were insufficient to cover the cost of their benefits premiums. This can occur when returning from leave or during an extended vacation, or any other period of inactivity or reduced case load. If you are a new registrant or returning from a leave, it can take several months to build up a full case load, and you may have no billable courses of care in a given month. This directly impacts your benefits funding; if the Benefits Trust does not receive enough funds to cover your health and group benefits premiums, you will be in arrears.

Your 20% benefits funding fluctuates monthly depending on your billable courses of care. Your health and group benefits premiums, however, are a fixed expense. The monthly cost of your benefits premiums depends on your registered 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 by email at [midwivesbenefits@aom.on.ca](mailto:midwivesbenefits@aom.on.ca).

## Repayment of arrears

Insurance carriers require that benefits premiums be paid on a monthly basis. In order to avoid disruption of health benefits and insurance coverage, the AOM Benefits Trust supports all actively clinically practicing midwives by paying these premiums on their behalf when funds are insufficient or not received.

The Benefits Trust recognizes that those facing arrears may be experiencing financial strain, such as those returning from an extended leave, applying for disability or newly entering the profession. As such, full or minimum payment will not be required on funds for 180 days. Failure to provide any payment within 180 days, either through benefits funding or direct payment, will result in the AOM Benefits Trust initiating 'Not in Good Standing' process with the AOM.

To avoid facing arrears, the AOM Benefits Trust encourages midwives to be aware of the amount of their fixed benefits premiums and billable courses of care. If you know your billable courses of care will be low or nil for any reason,

## Reasons you may be in arrears

**Working a reduced or irregular caseload:** You may bill 5 clients one month, then none the next, then 5 again the month after.

**New registrants:** It may take you several months to build up a full caseload. Your benefits coverage begins on your date of registration, and as such, your monthly benefit premiums are due one month later.

**Returning from leave:** Similar to new registrants, midwives returning from parental or other leaves may take time to build up a full caseload.

**Vacation:** Similar to working a reduced or irregular caseload.

Due to the way practice invoicing works, the AOM Benefits Trust is always one month behind. If you don't bill any clients in a given month, the Benefits Trust will not receive any benefits funding on your behalf. In an effort to keep you informed, you will receive a benefits statement that shows the difference between your monthly premiums and the benefits funding we received on your behalf.

How many BCCs you need to bill per month to cover the cost of your benefit premiums depends on your billing level and benefit coverage decisions.

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you can arrange to prepay your premiums via direct deposit, personal cheque, self-funded leave account withdrawals or held RRSP contributions. If you are taking a general leave (defined as 2 months or longer), you need to contact both the AOM Benefits Trust and the AOM membership services to initiate your leave, review your benefits coverage selections and arrange an alternative form of payment for premiums. Once a new registrant or midwife returning from leave begins to discharge clients and billing, they will receive benefits funding. All payments received, whether through benefits funding or via the methods above, will be applied to the oldest principal amount outstanding until the arrears have cleared.

All benefits premiums are the responsibility of the individual midwife. That said, the AOM Benefits Trust aims to be supportive to members and be mindful of the complex nature of midwives' billing, and as such, will continue to pay premiums temporarily to avoid jeopardizing the health and insurance coverage for those facing arrears. The Benefits Trust is dedicated to being both fair and equitable to members while ensuring the sustainability of the Trust and midwives' benefits program.

## Benefits Premium Statement - Example

*This example is for illustrative purposes only.*

<b>Benefit Premiums Statement</b>		
<b>September 2016 Beginning Balance:</b>		-\$229.79
<i>(Note: If this amount is negative, it means you were in arrears last month)</i>		
<i>Add:</i> Payment received from midwife	0.00	
<i>Add:</i> September 2016 Benefits Funding received by AOMBT	396.80	
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<b>Benefits funding and/or payment received and applied to arrears :</b>	396.80	\$396.80
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<i>Less:</i> September 2016 Benefit premium cost	-579.12	
<i>Less:</i> Service fee (10% of the September 2016 Benefits Funding)	-39.68	
<b>Total Benefits cost for the month:</b>	618.80	-\$618.80
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<b>September 2016 Ending Balance (Benefit Premiums Owing):</b>		<b>-\$451.79</b>
<i>(Note: If this amount is negative, it means you are in arrears)</i>		
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In this example, the midwife is a new registrant building up a caseload. The midwife received \$396.80 in benefits funding for September. Their benefit premiums cost \$579.12 every month. As such, the midwife did not receive enough benefits funding to cover the premium cost. In addition, they had an outstanding balance of \$229.79, as they were in arrears in the month prior. Taking into account the prior amount owed, the monthly premium payment and service fee, the midwife essentially owes the AOMBT \$451.79. They will need to receive just over \$1000 in benefits funding in October to cover their October premiums and their current balance.

Having been made aware of this through the Benefits Premiums Statement email, the midwife can contact the AOMBT to arrange payment or discuss other options.