

## **Notice of Approval of Settlement in the Class Action Regarding the Calculation of the SISIP Cost of Living Allowance**

*Manuge v Her Majesty the Queen*, Court File No. T-463-07.

### **What is this settlement about?**

The Plaintiff, Dennis Manuge, argued that the Defendant did not properly calculate Cost of Living Allowance (“COLA”) increases as required by the SISIP Long Term Disability Plan.

The parties have now come to a settlement agreement on this issue. (“COLA Settlement”) The Settlement is over and above any benefits received by certain class members as a result of the elimination of the *Pension Act* offset.

On July 2, 2014, the Court approved the settlement. The Court’s decision is available on [www.leavenovetbehind.ca](http://www.leavenovetbehind.ca).

### **Why am I getting this notice?**

You have been identified as a member of the Class. The Agreement affects your rights.

### **Who are the Class Members?**

The Court approved the following definition of the Class: “all former members of the Canadian Forces who were in receipt of long-term disability benefits under S.I.S.I.P. Policy No. 901102 on or before the date of this Order and whose benefits were subject to a Cost of Living Allowance increase from January 1, 1971 to the date of this Order.”

This new Class definition expands the prior Manuge Class to include recipients of SISIP long term disability benefits that were not reduced by the *Pension Act* offset. This expansion is necessary because the alleged Cost of Living Allowance errors impact people whether or not they had an offset.

Class Members who are added by this expanded definition will have the right to opt out. **But if you opt out, you will not get any refund under the Agreement.** If you still want to opt out, you must contact McInnes Cooper. They will explain the process to you, and provide you with the required form. The required form to opt out has to be delivered to McInnes Cooper by September 9, 2014.

If you were already in the Manuge class, you will stay in the class. You don’t need to do anything more to receive your benefits.

### **What are the terms of the Agreement?**

In summary, the Agreement provides for the following:

1. All Class Members affected will receive the additional amount that would have been paid had the Cost of Living Allowance increases been rounded up to the nearest .25% in 2002, 2004 and 2007.

2. All Class Members will receive 74% of the amount that they would have received if their Cost of Living Allowance increase was calculated as an aggregate increase (capped at a maximum increase in benefits of 2% per year) from the date the benefit commenced.
3. All Class Members whose Cost of Living Allowance increases were subject to overpayments and subsequent underpayments in 1999 and 2000 will be compensated for the improper amount of those reductions.
4. All Class Members whose benefits were affected as a result of using incorrect dates to calculate the Cost of Living Allowance increases will be compensated.
5. All Class Members released on or after December 1, 1999 will receive 74% of the amount that they would have received if their Cost of Living Allowance increase was applied to their gross long term disability benefit before offsets, rather than their net long term disability benefit after offsets.
6. Class Members will receive simple interest on any amounts payable above calculated as follows:
  - a. 6% annually from February 1, 1992 to December 31, 1995;
  - b. 5% annually from January 1, 1996 to December 31, 2008;
  - c. 3% annually from January 1, 2009 to the date the amount is paid to McInnes Cooper in Trust.

The Defendant will correct future payments in relation to items 1, 3 and 4, but not 2 and 5. The Plaintiff has accepted this compromise in relation to future payments because the Defendant always retains the right to alter the terms of the policy on a going forward basis in any event.

The full terms of the Agreement are available at [www.leaveovetbehind.ca](http://www.leaveovetbehind.ca)

**What do I have to do to make a claim?**

You do not have to do anything right now.

Class Members will receive their refund automatically through McInnes Cooper.

**Will there be deductions from the Refund?**

As always with any SISIP LTD benefits, there will be an amount withheld for taxes. Your actual tax payable may be more or less than the amount withheld.

There will be an approximate 9% deduction for legal fees, sales taxes and expenses. These amounts are tax deductible.

Finally, if you owe SISIP money for any other reason, this amount will be deducted.

**When will I receive my Refund?**

The Refunds will be processed beginning in January 2015 and will be completed by July 2, 2015

**What if I want more information?**

For more information, please contact McInnes Cooper at:

SISIPClassAction@mcinnescooper.com

(902) 444-8417 (English)

(506) 877-0831 (French)

SISIP Class Action

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