NORTHERN EMPLOYEE BENEFITS SERVICES | ᐅᑭᐅᖅᑕᖅᑐᑎᒍᓐᓇᓕᕆᔨᒃᑯᑦ ᐃᓕᓴᕐᓂᖅᑕᒥᐅᑉᐳᖅᑕᓂᒃ ᐱᓕᕆᔨᖅᑕᐅᓂᒃ

MEMO

To: NEBS Employer Members
From: Shawn Maley, CEO
Date: May 2, 2022
Subject: Update to Premium Payment Policy

As of April 6th, 2022, NEBS has updated the Premium Payment Policy. Historically, NEBS has applied received premium payment cheques and direct deposits to the oldest unpaid invoice, regardless of the invoice number quoted with the payment. This policy has since been updated to include the following:

3.3 (e) *"Participating Employers must indicate which invoice number is being paid with each Plan Contribution payment sent. NEBS will apply the payment as indicated on the payment stub / direct deposit notice, regardless of older invoices that may have been unpaid. It is the Participating Employer's responsibility to acknowledge any missed invoices or underpaid invoices, and any interest that may be charged for missing or underpaying those invoices. If no invoice number or a duplicate invoice number is quoted with the payment, or no direct deposit notification indicating the corresponding invoice number is received prior to the payment being received, NEBS will apply the payment in the manner described in Section 3.5(c)."*

3.5 (c) *"Payments received from Participating Employers will be allocated to the invoices identified with the payment, in accordance with Section 3.3(e), regardless of whether there are older invoices, outstanding interest or Collection Charges. Any other funds received from a Participating Employer will be applied first against the oldest overdue Plan Contributions, then to progressively newer Plan Contributions then to the oldest interest and Collection Charges, then to progressively newer interest and Collection Charges. Any remaining balances owed will be subject to further interest charges."*

This means that if a payment is received quoting a particular invoice, the payment will be applied to the invoice number that is quoted, despite any outstanding invoices that may be accruing interest. If no invoice number is quoted with a cheque, or received prior to the receipt of a direct deposit, NEBS will then apply payment to the oldest outstanding invoice(s).

These changes have been put in place due to the request of many employer members who have indicated that NEBS applying payments to the oldest invoice, when they have quoted a different invoice number, is causing problems in their accounting software. These changes should help prevent this from occurring.

If you have any questions or concerns, please contact our Office Administrator Julia Randell at admin@nebsnorth.com or call our office at (867) 873-4965.

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