



## *myHSA* Health Spending Account

**Simple. Cost Effective. Tax Efficient. Flexible.**

### What is a Health Spending Account (HSA)?

Sometimes referred to as a flexible benefit account or a *Private Health Services Plan (PHSP)*, a Health Spending Account (HSA) allows an employer to allocate a pre-set amount of money for each employee to be used for medical reimbursement. An HSA can be used as a standalone plan or in conjunction with a traditional health and dental benefit program.

During the year, employees and their qualified dependents have access to this account for reimbursement of any medical or dental expenses that qualify under the *Canadian Income Tax Act*, such as:

- ✓ deductibles
- ✓ co-pays
- ✓ prescription drugs
- ✓ paramedical services
- ✓ eyeglasses
- ✓ laser surgery
- ✓ orthodontics
- ✓ smoking cessation programs

### Why utilize an HSA?

The HSA expenses – including fees – are a **fully tax-deductible expense** for the company, and the expense reimbursement is not taxable to the employee. Thus, it is a much more tax-efficient method of paying for medical and dental expenses.

### Who can qualify under the HSA Plan and to what amount?

An employer has control over who will be covered under the HSA plan, and can designate different benefit amounts for specific classes of employees. However, careful planning must be taken into consideration when HSA programs are offered to owners of a company. Simply put, the benefit must not be provided to the individual as a result of their shareholder status, but rather it should be provided as part of their status as an employee.





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The HSA must be offered to everyone in an employment class and the dollar amount must be “reasonable”. Since CRA has not specifically defined what is “reasonable”, it is up for some amount of interpretation. However general guidelines show that **10-15% of salary** could be considered reasonable.

### **What makes the myHSA system better?**

myHSA simplifies the claims process with a seamless online system. The Plan Administrator can manage enrollments and terminations online, and view the dollar amounts that have been claimed and the remaining balances for each plan member. All of this data is real-time! Meanwhile employees are each provided with a secure online account to submit and track their claims electronically. These claims are processed in 1-3 business days and the funds are automatically drawn from the corporate bank account and deposited into the employee’s account.

**Our system takes away the paper! A 24/7 online chat** is also available to answer all your questions.

### **How can an HSA benefit your company?**

One of the major benefits to the corporation in having an HSA is **controlled costs**. You know exactly what your maximum costs will be in a year, and if employees do not utilize the full HSA amount allocated, the corporation will save that budgeted money. The myHSA program offers both **simplicity and cost efficiency!**

#### **The myHSA Advantage**

The myHSA plan is a **Pay-As-You-Go** plan. There are **NO set up fees**, and **NO mandatory monthly or annual premiums**. You only pay if and when a claim is submitted. The only additional cost is the **10% administration fee** (plus applicable provincial taxes), which covers the cost of adjudicating and paying these claims.

