



Human Resources

Flexible Spending Accounts Information

General Information Sheet

The Spending Account (SA) offers two account streams, a non-taxable Health Spending Account (HSA) and a taxable Wellness Spending Account (WSA).

Eligible staff members will receive an annual allocation for their discretionary use within the program guidelines. For less than the full year, these amounts will be prorated.

Please note you are required to make a decision about the allocation of your next year's allocation of dollars during the November 15 – December 15 enrollment period.

After reviewing your personal situation, if you find you would like to opt in or out of Alberta Health, Extended Health and/or Dental, due to spousal coverage and/or co-ordination, please contact Adriana Ota via e-mail (adriana.ota@uleth.ca) so your request can be processed. Some aspects take more time to process than others. Please keep in mind that co-ordination with a spouse/partner in Extended Health and/or Dental may give you up to 100% coverage in Extended Health and Dental and leave your Spending Account free for other items you may wish to cover. You may pay any premiums for Extended Health and Dental from your Health Spending Account (HSA). Decisions to opt in or out should be done carefully and preferably at the beginning of the year. There may be penalties for opting in late, particularly for Dental.

ELIGIBILITY

The Spending Account Program (SA) is available to eligible employees holding continuing or term positions and who are **actively at work** on the SA program benefit year commencement date (January 1st). SA dollars are prorated for eligible staff members who commence employment or return to work after the SA program commencement date.

Terminations of Employment or Change in Appointment Status:

If you terminate employment or transfer to an ineligible staff group or appointment type, your claim will only be accepted for purchases or services incurred while eligible for the program. Your coverage in the spending account will terminate on your last day of employment and claims must be submitted within a 30 day period.

PROGRAM FEATURES

Your non-taxable Health Spending Account (HSA) offers a practical, affordable and tax effective solution to your changing health benefit needs. It provides you with added plan flexibility and tax advantages while giving you choices, enhanced benefits and increased coverage levels.

Your taxable Wellness Spending Account (WSA) provides an opportunity for you to direct your dollars towards your wellness and work-life balance. Examples of eligible services and products are outlined on the Wellness Taxable Spending Account Info Sheet.

1. **Health Spending Accounts** are funded with pre-tax dollars through the University of Lethbridge. Because these dollars are directed to the account before income tax is deducted, compensation provided through a Health Spending Account goes a lot further than if you were to pay for health-related expenses yourself.

A few of the many benefits deemed to be eligible include:



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- Deductibles, coinsurance payments and amounts in excess of coverage limits
- Charges for dental procedures in excess of your regular dental plan's payment limits
- Vision care expenses such as eye exams, glasses, contacts and laser eye surgery
- Cosmetic procedures required for medical or reconstructive purposes
- Prescribed lifestyle benefit expenses such as nutritional supplements and fertility drugs
- Paramedical practitioners including chiropractors, massage therapists, acupuncturists, optometrists, physiotherapists and psychologists
- Any premiums you or your spouse pays for health and dental insurance.

As well, Revenue Canada permits a broader definition of a dependant for expenses claimed through the Health Spending Account - the perfect solution for employees needing to cover expenses for extended family members who would not otherwise be eligible under the employee's benefit plan.

More information is available on the Frequently Asked Questions page.

2. **Wellness Spending Accounts** are funded with pre-tax dollars through the University of Lethbridge, but the benefits are taxable. Because these dollars are directed to the account before income tax is deducted, you will receive a T4A slip directly from Alberta Blue Cross for any amounts that you are reimbursed. This benefit applies to eligible expenses incurred by the employee only (expenses for dependents are not eligible).

A few of the many benefits deemed to be eligible include:

- Fitness Centre Memberships, Monthly or Annual Activity or Facility Fees (for employee or family only, in employee's name if family membership)
- Certified Personal Trainer
- Instruction for a physical activity (instruction fee only, does not include court fees, lift tickets, etc.)
- Fees to any recreational/sporting association where the primary focus is fitness to a maximum of \$250 per year (e.g. racquet ball, squash, soccer, etc). (For employee or family only, in employee's name if family membership)
- Sporting equipment (e.g. downhill/cross country equipment, hockey protective equipment, swim wear, soccer protective equipment, equipment used in an exercise gym setting)
- Only One Footwear item Per Year: Either Curling shoes or Golf shoes or Indoor Court shoes or Running shoes or Baseball cleats or Soccer cleats or Ice Skates or Hiker's shoes/boots.
- Fitness equipment for personal use in the home (i.e. treadmill, elliptical machine, rower, weight machine)
- Mobile bicycles with a minimum tire size of 24 inches
- Health Risk Assessment (must be conducted by a certified health professional)
- Stress Management Program (must include classroom instruction)
- Lifestyle or weight management program fees, nutrition counseling (offered by accredited practitioners)
- All workplace wellness programs and services provided by the University of Lethbridge
- Individual life insurance premiums (not the university group term life)
- LTD insurance premiums



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- Elder Care – Expenses you may be paying for the care of an elderly family member which may not be eligible under the HSA (check with Benefits for items which may/may not qualify)
- Critical Illness Insurance premiums
- Long Term Care Insurance premiums

Due to the WSA being taxable under CRA guidelines, it is only available for employees (or family if the family membership is in the employee's name).

More information is available on the Frequently Asked Questions page.

EASY CLAIMING

1. Health Spending Account (HSA)

- When you submit a regular health and dental claim to Alberta Blue Cross, any unpaid balance from the Core plan automatically transfers to your Health Spending Account should you so choose.
- Unpaid balances are then automatically captured in your Health Spending Account even when the pharmacy or the dental office submits your claims electronically.
- The amount not covered by your core benefit plan that is automatically captured by your Health Spending Account, will be paid on the next scheduled payment cycle based on the amount accumulated.
- If you prefer to submit to your HSA at a later time throughout the year, please see the information on submitting manually in the HSA FAQ's. http://www.uleth.ca/sites/default/files/2017/07/faq_hsa_july_2017.pdf

Coordination of Benefits

- If you coordinate benefits with your spouse, claims are not automatically transferred to your account.
- You may need to advise Alberta Blue Cross of the unpaid balances by submitting your Explanation of Benefits (EOB) from the other insurer, along with a Health Spending Account claims form (available through the Alberta Blue Cross website www.ab.bluecross.ca or the Human Resources Benefits website <http://www.uleth.ca/hum/ben/benefitsforms.html>).

More information is available on the Frequently Asked Questions page.

2. Wellness Spending Account (WSA)

- A claim form is available through the Human Resources department or on the Human Resources Benefits website as above.
- You complete the form and mail it directly to Alberta Blue Cross.
- All WSA claims must be accompanied by receipts in your name (i.e. the employee's name).
- You will receive your payment on the next scheduled payment cycle which will depend on the amount submitted.

More information is available on the Frequently Asked Questions page.



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Please note:

Expenses incurred prior to the SA program commencement date are not eligible for claim or reimbursement.

Payment Format

Claims for the core plan and SA's are processed via direct deposit through Blue Cross.

- You will be able to see when your claims are processed through the Blue Cross online program. (See Questions about Your Spending Account)

ALLOCATION

Your allocation choice is irrevocable. This means you may only claim the funds you allocate under the account stream you have chosen for the year. You will have the opportunity to reallocate on an annual basis.

EXPENSE CARRY FORWARD

Expenses to your HSA may be carried forward for payment into the next year for one year only. Dollars not utilized by Dec 31st are subject to forfeiture.

Expenses to your WSA may not be carried forward and dollars not utilized are subject to forfeiture.

Ensure any expenses incurred are **received** by Edmonton Blue Cross office by February 28th.

QUESTIONS ABOUT YOUR SPENDING ACCOUNT

You may view your Blue Cross claims (for the Core Plan and Spending Accounts) online by registering on the Blue Cross website at www.ab.bluecross.ca Online Services. You will receive a password electronically at the time you register.

Once your Spending Accounts and information have been fully set up in Blue Cross, you may track your accounts and payments online. You will be able to see when payments via direct deposit are done. Each year, we will post the payment process run dates on the Benefits website.

Please contact Human Resources Benefits staff if you have any questions:

Adriana Ota

adriana.ota@uleth.ca

332-4428

The information provided here serves as a guide only and should not be interpreted or followed as a contract or agreement. Exact terms and conditions of the group benefits program are described in more detailed contracts and other documents. Where questions of interpretation arise, these contracts and other documents will be referred to.