



Holden Financial myHSA

Personal Health Services Plan (PHSP)

Presented by:

Are you receiving the maximum allowable tax relief for your medical and dental costs?

Private Health Services Plan (PHSP)

Small to medium sized companies can now have a benefit program equal to or better than large corporations.

A PHSP allows businesses to receive maximum tax relief for most medical, dental or vision care expenses. Some employer advantages are:

1. All claims are 100% tax deductible by the corporation.
2. Benefits received by employee are TAX FREE.
3. There are no monthly premiums.
4. Most medical, dental and vision claims are covered. Canada Revenue Agency Bulletin S1-F1-C1 describes any allowable medical expenses.
5. A PHSP is an excellent supplement to a traditional program. It will allow your business to reimburse you for expenses that other programs such as a spouse's program do not cover.

Following are some common questions.

Do I qualify?

All incorporated businesses and limited companies registered to do business in Alberta qualify. Sole proprietors also qualify but are limited to the amount they can claim as employee benefits.

How much monthly premium needs to be contributed?

There are NO monthly premiums! The program operates on a money-in, money-out basis. You only contribute when employees have claims to submit. If employees do not have claims, you pay nothing.

A spouse has a traditional benefit program with their employer, do your employees need this?

This program is an excellent supplement to a traditional benefit program. It will allow your business to reimburse employees for most medical or dental expenses which their spouse's program does not cover.

Wellness & Lifestyle Spending Account

Many employers want to attract the best employees while other employers wish to offer tax free raises to employees. Our program allows employers to design a plan that best suits their situation.

Wellness & Lifestyle Spending Account (WLSA) allows you to provide additional support to your employees, as well as flexibility and choice so they can proactively manage their health and personal well-being. It promotes wellness through financial encouragement, promotes a more holistic view of health and introduces more options alongside the PHSP.

Because of the types of items covered, the WLSA will generally be a taxable benefit to employees. You will be responsible for all WLSA payroll-related functions and tax reporting for your employees. We will provide reports to assist you.

The PHSP and WLSA are combined under a common administrative system. Eligible expenses listed below are examples only.

- **Qualified Medical Practitioner**
(e.g. Chiropractor, Massage Therapy, Physiotherapy)
- **Dental Services**
(e.g. extracting teeth, filling teeth, oral surgery)
- **Hospital Services**
(e.g. anesthetist, vaccines, hospital bills)
- **Prescriptions**
(e.g. insulin, vitamin B12 for anemia)

PLUS
(optional)

Private Health Services Plan

Non-Taxable Benefits, eligible items include:

Wellness & Lifestyle Spending Account

Taxable Benefits, choose from these categories:

- **Health and Fitness Related**
(e.g. gym, personal trainer, ski passes)
- **Family and Lifestyle**
(e.g. green living, childcare, snow removal)
- **Technology**
(e.g. computers, printers, PVR, cameras)
- **Personal**
(e.g. spa services, teeth whitening, botox)

The simplest way of setting up PHSP and WLSA limits is to allocate to each employee an amount decided by the employer. You have the ability to treat each employee separately and can reward long term employees with larger benefit amounts.

You choose how often credits are allocated to your employee's account – either monthly or annually. In a flex plan, you may allow the employee the choice of how to allocate credits between the PHSP and WLSA. Their choice must be made prior to the start of the new benefit year and are locked in for the entire year.

Questions and Answers

Types of expenses that are covered

- The employee may claim for any medical expenses that are allowable under the Income Tax Act: <http://www.cra-arc.gc.ca/tx/tchncl/ncmtx/fls/s1/f1/s1-f1-c1-eng.html>
- This is a very wide range of services that include many items that are not typically allowed under a normal group benefits plan.

Typical client

- Every business owner who has an incorporated company.
- Sole proprietors subject the CRA limitations.
- It is the most tax effective way to pay for health, dental, and vision expenses.
- If an employer wishes to offer benefits to other employee classes, they can create a custom plan for each class.

Who can qualify under a PHSP

- The employer has complete control over which employees are covered under the plan and what amount they give them to spend.
- The employees are “classed” at the start of the benefit term and the limits of coverage are set based on certain criteria designed by you and Holden Financial.
- The employer has complete control of which employee receives the benefit of the PHSP and can add, or delete them at any time.

Is this a fit for my company?

If any of these questions or comments have crossed your mind when buying an employee benefits plan, then a PHSP may be for you:

1. An insured plan is too expensive given our current number of employees.
2. Our cost of insurance premiums are increasing every year as we are pooled in a plan that does not take our claims into consideration (by not claiming, we seem to be supporting the others that are claiming).
3. With the demographics of our employees being older or younger, the plan seems to be designed for one or the other, not both (e.g. orthodontics for employees with kids). Employees in both demographics desire flexibility.
4. We want to provide flexibility in our benefits plan. We do not want to control how employees utilize their coverage.
5. We are tired of having to pre-fund our benefits whether our employees use them or not.
6. We want to budget for and control the cost of our employee benefits plan.

How to utilize a PHSP

- If an employer does not have a traditional benefits plan, a PHSP can be used to provide a complete range of coverage including medical, dental, and vision benefits to employees who otherwise could not get employer sponsored benefits.
- If an employer has a traditional insured group benefits plan, a PHSP can be used to top-up or “carve out” infrequently used coverage such as orthodontics or vision care and make these types of benefits available in a Health Spending Account.

Claim Process for PHSP



Holden Financial myHSA system highlights

- Plan Administrators and employees have 24/7/365 access to Live Chat.
- Company Administrator (HR person) and employees have real-time access to everything that occurs within their PHSP.
- There are no cheques and no pre-funding. myHSA works on Electronic Funds Transfer.
- Claims are done online (no paper) by employee through their own personalized dashboard.
- App is available for iPad, Android and iPhone devices.
- 2-day claim payment turnaround time.

Cost

- Set-Up fees.
- NO Monthly fees.
- NO Fee for adding or deleting employees.
- The ONLY fee is an Administration Fee plus provincial taxes on each claim.

How do employees claim?

They can use our simple online app from any smart phone, iPhone or Android device. Simply take a picture of the receipt and your claim is entered.



Plan Admin System Highlights

- Real time Information.
- Email notification feature can be turned on or off. When on, the Plan Administrator receives an email EVERY TIME a withdrawal happens
- Plan Administrators can run reports for the accounting department

Bank Rec Report

Company Name:981347 Alberta Ltd.

Time Frame: January 1, 2015 - January 1, 2016

Bank file Date: November 19, 2015						
Service Date	Employee	Claim Type	Claim Paid	Fee	GST	Total Charge
November 19, 2015	Tim Kane	Travel	\$8.75	\$0.44	\$0.02	\$9.21
Totals:			\$8.75	\$0.44	\$0.02	\$9.21

Implementation Process for Plan Administrator

- 1 Receive welcome email, login and change password
- 2 Fill out employee spreadsheet provided
- 3 Monitor claims - add and delete employees

Implementation Process for Employee

- 1 Receive welcome email, login and add bank info
- 2 Download myPHSP app
- 3 Start entering claims

Summarized Allowable Expense List

See Income Tax Folio - S1-F1-C1 (Medical Expense Tax Credit) for a complete listing.

Professional Services

Acupuncturist
(qualified medical practitioner)
Chiropracist
Chiropractor
Christian Science Practitioner
Dental Mechanic
Dentist
Dermatologist
Gynecologist
Massage
(Provincially Registered Therapist)
Naturopaths
Neurologist
Obstetrician
Optician
Optometrist
Orthopedist Osteopath
Pediatrician
Physician
Physiotherapist
Plastic Surgeon
Podiatrist
Practical Nurse
(medical services only)
Psychiatrist
Psychoanalyst
Psychologist
Registered Midwife
Registered Nurse
Speech Therapist (pathological or
audiological impediments only)
Surgeon

Dental

Cleaning, polishing, oral
hygiene instruction
Dental Checkups
Dental X-Rays Dentures Extracting
Teeth
Filling Teeth including root canal
Flouride treatments
Gum Treatment

Hospital

Anesthetist
Hospital Bills
Out-Patient Services
Oxygen Masks / Tent
Vaccines
X-Ray Technician

Vision

Artificial Eye
Eye glasses or Contact lenses
Laser Eye Surgery
Optician
Optometrist

Medicines

Any medicine or drug purchased.
Prescribed by a medical
practitioner or dentist and
recorded by a licensed pharmacist
Cost of Prescriptions
Insulin or Substitutes
Liver Extract - injectable for
pernicious anemia
Oxygen
Tapes or tablets for sugar content
tests by diabetics, if the procedure
has been required by a physician
Vitamin B12 - for pernicious
anemia

Premiums

Premium paid to a non-
government medical or hospital
care plan
(e.g. Blue Cross, Manulife
Flexcare, Sun Life Affinity)