

FAQ Flexible Benefits Plan

1. What is the Flexible Benefits Plan (Flex)?

The C-Suite plan includes options for both a Health Care Spending Account (HCSA) and a Wellness Spending Account (WSA).

The HCSA is a mechanism through which you can be reimbursed for health- or dental-related expenses that are listed as an eligible expense under the Income Tax Act.

The WSA can be used to purchase goods or services that are related to your health and wellness. These types of expenditures would not be acceptable under the rules of the HCSA as established by the Canada Revenue Agency.

2. What is the difference between the HCSA and WSA?

The HCSA is for reimbursement of medical- and dental-related expenses for you and your eligible dependants, and the reimbursement is not considered a taxable benefit (taxable in Quebec). The WSA is for expenses that promote health and wellness for you and your dependants, and reimbursements are considered a taxable benefit. Below is a chart outlining some key differences between the HCSA and WSA plans.

	HCSA	WSA
Coverage	Reimbursement for health- or dental-related expenses that are listed as an eligible expense under the Income Tax Act using pre-tax dollars	Reimbursement for goods or services related to your overall health and wellness
Eligibility	You, your spouse and/or any eligible dependent children	You, your spouse and/or any eligible dependent children
Tax Implications	Reimbursements are not considered a taxable benefit (except for Quebec residents)	Reimbursements are considered a taxable benefit. Therefore, any reimbursements will be taxable; payroll taxes will be adjusted accordingly and are reported on your T4.
Examples of Eligible Expenses	<ul style="list-style-type: none">• Paramedical expenses that exceed insured plan maximums• Dental/orthodontia expenses• Vision care, glasses frames, lenses or laser eye surgery	<ul style="list-style-type: none">• Fitness centre memberships• Sports club or league dues• Weight and nutrition counselling• Alternative healing treatments

3. How do I allocate funds within my Flex Plan?

C-Suite executives will have the choice to take all or a portion of his or her credits (\$10,000) and transfer them to a HCSA or a WSA. You will allocate these funds once a year during re-enrolment on the re-enrolment tool. If you do not elect an option, your coverage will default to 100% in the HCSA.

4. What types of claims can be made through the WSA?

The WSA is a mechanism through which employees can be reimbursed for goods and services related to their overall health and wellness. Eligible expenses include:

- Certified instruction (e.g., personal trainer) or instructed classes at a fitness facility (e.g., aerobics, Pilates, cycle, dance)
- Exercise equipment (new or used), repairs and extended warranty
- Weight management programs (food excluded)
- Alternative healing therapies (e.g., reiki, shiatsu)
- Smoking cessation programs and products
- Fitness centre membership fees (drop-in, monthly or annual)
- Athletic facility fees, including sports or golf/country club fees (receipt must include the name of facility or league)

5. When can I submit a claim?

Claims can be submitted to GWL at any time within the same plan year. In addition, claims incurred in the previous plan year may be submitted within the first 30 days of the following plan year. *For example, claim forms for products and/or services incurred in 2019-20 must be received by GWL BEFORE September 1, 2020.*

6. What happens to my unused credits?

Unused credits for both the HCSA and WSA will be carried forward to the next year. You can only carry forward unused credits for one year. If they are not used by the end of the following plan year, they are automatically forfeited. Example: Unused credits from August 2019 to July 2020 can be carried forward to August 2020 – July 2021. Any of these carried over credits remaining as of August 1, 2021 will be automatically forfeited.

7. Will GWL apply the previous year credits before they use my current year credits?

Yes. The first expenses incurred in 2020-21 and submitted to the HCSA/WSA will be applied to the unused 2019-20 credits first.

8. Can I be reimbursed for any unused credits?

Credits that are not used by year-end cannot be taken as cash.

9. Where can I get more information on the HCSA and WSA?

HCSA and WSA information is available via GWL. To view eligible HCSA expenses under the Income Tax Act, visit:

http://www.cra-arc.gc.ca/medical/#mdcl_xpns.